

UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF PENNSYLVANIA

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IN RE:                                : Case No.   23-10764
                                         :           23-10763
STREAM TV NETWORKS, INC.   CH: 11    :
                                         : Philadelphia, Pennsylvania
A) Emergency Motion For Entry Of      : April 14, 2023
An Order Enforcing The Automatic      : 12:42 p.m.
Stay And For Sanctions For           :
Willful Stay Violation Filed By      :
Stream Tv Networks, Inc.             :
Represented By Rafael X.             :
Zahralddin                          :
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. . . . .

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BEFORE THE HONORABLE MAGDELINE D. COLEMAN
UNITED STATES BANKRUPTCY JUDGE

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APRIL 14, 2023

THE COURT: All right. So this is the matter of Stream TV Networks and Technovative Media, Inc. There are two matters presently scheduled before the Court today. One is the Debtor's emergency motion for issuing an order enforcing the stay for other turnover and sanctions. And there is an emergency motion to dismiss the Hawk Investment Holdings, to dismiss this debt as paid or convert, or in the alternative, to appoint a Chapter 11 Trustee.

So let's start first with entering appearance for the attorneys who are going to participate in the two matters. Let's start first with the attorneys who are going to participate in the Debtor's motion with respect to the stay and turnover. Counsel for the Debtor?

MR. ALEXANDER: Good morning, Your Honor. Or good afternoon, now. Vincent Alexander, A-L-E-X-A-N-D-E-R. And also Rafael Zahralddin, it's Z-A-H-R-A-L-D-D-I-N, of Lewis Brisbois Bisgaard & Smith on behalf of the Debtors. And that's the counsels who will be speaking today.

THE COURT: Okay. Counsel for any Respondent?

MR. MAZZA: Good afternoon, Your Honor. This is Jim Mazza, M-A-Z-Z-A, from Skadden Arps. I represent SeeCubic.

THE COURT: Okay. Is there anyone else who is participating in the argument?

MR. LARKIN: Good afternoon, Your Honor --

1 THE COURT: Hello?

2 MR. LARKIN: Good afternoon, Your Honor. This is Joe
3 Larkin, also from Skadden Arps. My partner, Mr. Mazza, will be
4 handling the argument for SeeCubic. I just wanted to let Your
5 Honor know that Mr. Mazza's pro hac motion was filed, and it's
6 at docket 108 through 112.

7 THE COURT: And when was that filed, counsel?

8 MR. LARKIN: Your Honor, it was filed yesterday.

9 THE COURT: Oh, okay. And do you think I need --
10 well, I'll figure it out. Not where I want to be. Okay. I
11 want to be there. Okay. So it was filed at 108 through 112,
12 you said?

13 MR. LARKIN: That's correct. Mr. Mazza --

14 THE COURT: I see --

15 MR. LARKIN: Mr. Mazza --

16 THE COURT: I see a motion -- uh-huh?

17 MR. LARKIN: Mr. Mazza's pro hac motion is at docket
18 112, Your Honor.

19 THE COURT: Okay. So you filed several pro hac
20 motions yesterday, starting at 108 through 112. And Mr.
21 Mazza's is actually number 112; is that correct?

22 MR. LARKIN: That's correct, Your Honor. That's
23 correct. Correct.

24 THE COURT: All right. And counsel, do you believe I
25 need to enter an order before Mr. Mazza leads the arguments

1 today?

2 MR. LARKIN: I do not, Your Honor. I was just
3 letting you know that we filed it.

4 THE COURT: Okay. Okay. Well, let me get the
5 appearance of everyone else and see if anybody else thinks to
6 the contrary.

7 Who else is here with respect to the motion
8 for -- all the Debtor's motion speaking of order for violation
9 of the stay and turnover?

10 MR. CALLAHAN: Your Honor, Kevin Callahan and John
11 Schanne on behalf of the United States Trustees.

12 THE COURT: Okay.

13 MR. CALLAHAN: We're actually here on both matters.

14 THE COURT: Okay. Trustee. Anyone else? Okay. And
15 does anybody take any position with respect to whether I need
16 to sign those pro hac -- Mr. Mazza's motion to appear pro hac
17 vice before he can appear?

18 MR. ROTHMAN: Your Honor, I apologize. I was
19 expecting one of my partners to speak up. This is Aaron
20 Rothman at K&L Gates on behalf of Hawk. My partner Steve
21 Caponi is on the line as well.

22 THE COURT: Okay. I'm sorry, could you state your
23 name again for the record, sir?

24 MR. ROTHMAN: Aaron -- sorry. Sorry, Your Honor.
25 Aaron Rothman, R-O-T-H-M-A-N.

1 THE COURT: And who do you represent? Hawk?

2 MR. ROTHMAN: Hawk. Yep. And my partner Mr. Caponi
3 is on --

4 THE COURT: And who else is with you?

5 MR. ROTHMAN: Steve Caponi and Margaret Westbrook.

6 THE COURT: Okay. Anyone else here on any of these
7 matters?

8 We have 35 people, so there are other people just
9 observing?

10 MR. ALEXANDER: Your Honor, this is Vincent
11 Alexander. Would you like us to name all counsel even if
12 they're not going to be speaking today?

13 THE COURT: You know what? I think since we're not
14 in court, it probably makes sense. And I will just note that
15 these are the attorneys who will be arguing with respect to the
16 motions. And then, I'm going to put present. And then you
17 could -- people could tell me who else is present. I mean, in
18 open court, you typically don't do it. But it was just because
19 we're on the telephone, it would be good to know exactly who's
20 here.

21 MR. ALEXANDER: Your Honor, on behalf of the Debtor,
22 we also have Bennett Fisher, F-I-S-H-E-R.

23 THE COURT: And he is?

24 MR. ALEXANDER: He's counsel at Lewis Brisbois.

25 THE COURT: Counsel, okay. Okay. Who else? Anyone

1 else?

2 MR. ALEXANDER: Rafael, do we have any other
3 attorneys? Do we have any other attorneys on?

4 MR. ZAHRALDDIN: Yes, Your Honor. I believe Karen
5 Poppel is also on the line. She's an associate with us here at
6 Lewis Brisbois Bisgaard & Smith. And it's P-O-P-P-E-L, Karen
7 Poppel.

8 THE COURT: Okay. For the Debtor.

9 MR. ZAHRALDDIN: I believe that's it for the Debtors,
10 Your Honor.

11 MR. ALEXANDER: For the counsel, at least.

12 THE COURT: Okay. Anyone else?

13 MR. ALEXANDER: Your Honor, we also have
14 representatives of the Debtor on.

15 THE COURT: Wait a minute. Let's --

16 MR. ALEXANDER: Would you like them, as well?

17 THE COURT: Yes.

18 MR. ALEXANDER: We have Mathu Rajan, it's R-A-J-A-N.
19 He's the CEO of the Debtors.

20 THE COURT: Okay. Anybody else representing the
21 Debtor? Is there counsel and --

22 MR. ZAHRALDDIN: Yes, Your Honor.

23 MR. ALEXANDER: We do.

24 MR. ZAHRALDDIN: Dan --

25 MR. ALEXANDER: Dan --

1 MR. ZAHRALDDIN: Dan Rink is also in-house counsel
2 for the Debtor. He is on the line. And that's R-I-N-K. And
3 Mr. Bud Robertson, also an employee of the Debtor, is on the
4 line. And I believe -- I don't recognize this name, so I'll
5 have to confirm. But someone identified themselves as Sarah
6 Brewer (phonetic), perhaps, and indicated that they were an
7 employee of the Debtor. But they can confirm their status.

8 MS. BREWER: Yes, that's correct.

9 MR. ZAHRALDDIN: Okay.

10 THE COURT: Apparently, I was disconnected. So where
11 I stopped at was I was asking was there anyone other than Mr.
12 Mazza and Mr. Larkin here for SeeCubic?

13 MR. ZAHRALDDIN: Okay. And Your Honor, I think
14 we -- did you hear us provide the names of the employees and
15 representatives from the Debtor that were here? Or were you
16 off the line?

17 THE COURT: Yes.

18 MR. ZAHRALDDIN: Okay.

19 THE COURT: No, I heard Mr. Fisher and Ms. Poppel and
20 Mr. Rajan. Hello?

21 Counsel, I also didn't give my typical instructions,
22 which are could you please keep your telephone on mute until
23 you speak, and that when you do speak, that you first state
24 your name for the record. I would ask that you not interrupt
25 anyone. And everyone will get an opportunity to speak. And I

1 would also ask that you keep your telephone on mute until you
2 do speak.

3 Okay. So I did hear the representatives of the
4 Debtor. And I was asking were there anyone else other than Mr.
5 Mazza and Mr. Larkin for SeeCubic?

6 MS. BRUMME: Yes, Your Honor. This is Marley Ann
7 Brumme, B-R-U-M-M-E. And also with me is Eben Colby.

8 THE COURT: And your relationship to SeeCubic?

9 MS. BRUMME: We are both -- yes, we are both counsel
10 at Skadden.

11 THE COURT: Okay. Anyone else here? Okay. Mr.
12 Callahan, I'm assuming it's just you and Mr. Schanne, and
13 there's no one else for Hawk except Mr. Rothman, Caponi, and
14 Ms. Westbrook. Anyone else? Hello? Oh, come on.

15 MR. ALEXANDER: We can hear you, Your Honor.

16 MR. MAZZA: We hear you, Your Honor.

17 THE COURT: Oh, good. I'm like, come on, don't tell
18 me I'm going to just keep getting disconnected.

19 All right. So there's no one else for anyone
20 appearing who has not been named in connection with these two
21 matters?

22 MR. ALEXANDER: Your Honor, there's two more.

23 MR. RILEY: Judge, Leo Riley, an employee of
24 SeeCubic, Inc.

25 THE COURT: I'm sorry, who else?

1 MR. RILEY: Leo Riley, an employee of SeeCubic, Inc.
2 THE COURT: Okay. Anyone else?
3 MR. MAZZA: Yes, Your Honor.
4 MR. ALEXANDER: There's also two employees of the
5 Debtor.
6 THE COURT: Okay. Wait a minute.
7 MR. ALEXANDER: Suby Joseph.
8 THE COURT: For the Debtor?
9 MR. ALEXANDER: Yeah. Two more employees, Your
10 Honor. I apologize. Suby Joseph. It's S-U-B-Y, J-O-S-E-P-H.
11 And Amanda Gonzalez, A-M-A-N-D-A, G-O-N-Z-A-L-E-Z.
12 THE COURT: Okay. Anyone else? Anyone else?
13 Because I heard -- the last I heard other than -- was for --
14 MR. DEMARCO: Yes, Your Honor. I apologize. I've
15 been trying to wait my turn to introduce myself. My name is
16 Andrew DeMarco. I am counsel for Creditor Rembrandt 3D.
17 That's D-E-M-A-R-C-O. I also have with me a fact witness,
18 Chris Michaelson (phonetic), the president and CEO, Steven
19 Blumenthal (phonetic), and the in-house counsel Neil Wallace
20 (phonetic), for Rembrandt. They are also on the line.
21 THE COURT: Am I the only one who's getting
22 disconnected, John?
23 COURT REPORTER: Yes, apparently.
24 THE COURT: Apparently. So now I have computer
25 issues and phone issues today. Great. If we get disconnected

1 again, I'm going to try to move to a different office and see
2 if the works. Hopefully, I won't get disconnected again.

3 Okay. I think where we left off was that we had the
4 appearance of all counsel and all persons who are present in
5 connection with the two matters.

6 Okay. And so the first -- I think, have the parties
7 discussed exactly what it is or how they would like to proceed
8 today? I know there have been numerous telephone calls to my
9 JA and my courtroom deputy regarding amending orders or
10 whatever it is the parties were looking for. So let me lay
11 this out before I have any questions.

12 Typically, on an emergency motion, I'm going to hear
13 arguments, but I am not going to take evidence. I typically
14 will hear the arguments and come to some sort of -- figure out
15 where there are -- what the actual disputes are. And then, if
16 we need an evidentiary hearing, then I schedule the evidentiary
17 hearing.

18 So I'm not sure if the parties were unclear whether
19 there was going to be an evidentiary hearing today. That is
20 not going to happen. Because clearly, I would need more than
21 this afternoon to hear evidence in connection with just one of
22 these motions.

23 So with respect to the motion for relief, we can
24 start with that and then we can have some discussion and figure
25 out exactly where we're going with respect to, one, whether we

1 need an evidentiary hearing. Based on my review of those
2 pleadings, I am going to assume that we do. And two, what were
3 the parties expecting in terms of getting that evidentiary
4 hearing. Okay. We're going to start with the motion for the
5 alleged violation of the stay and for turnover.

6 Counsel for Debtor?

7 MR. ALEXANDER: Good afternoon again, Your Honor.
8 Vincent Alexander on behalf of the Debtors.

9 THE COURT: Okay.

10 MR. ALEXANDER: Your Honor, may I proceed?

11 THE COURT: Yes, you may.

12 MR. ALEXANDER: Thank you, Your Honor. The Debtors
13 filed these cases on March 15th. So we haven't even been in
14 these cases a full month yet. And immediately upon the filing
15 of these cases, the Debtors were met with resistance from
16 various parties, including Hawk Investment Holdings, SLS
17 Holdings, SeeCubic, Inc., and various of their representatives,
18 including Shad Stastney, regarding the Debtors' ability to
19 regain possession of their property of the estate and also
20 operate in these bankruptcy cases.

21 And so we filed an emergency motion for violations of
22 the automatic stay. Initially, with regards to one specific
23 piece of estate property, and that's an optical bonding
24 machine. Before I get into that, though, I think it makes
25 sense, Your Honor, since you really haven't had a full hearing,

1 to kind of tell you what the Debtor does so you can see why
2 this bonding equipment is important to the Debtor's operations.

3 Stream was founded in -- would that be helpful to
4 Your Honor?

5 THE COURT: Yes. And counsel, it would also be
6 helpful if you'd give me some background because we have been
7 trying to, you know, based on the charts and the various
8 information in the motions, piece together who the various
9 entities are, their relationship. Because I didn't get that at
10 the first hearing.

11 So if you, in the process of telling me the
12 information about Stream, to the extent relevant, how the
13 various players are involved in this matter. Okay?

14 MR. ALEXANDER: Absolutely, Your Honor. I can do
15 that as we go through the process.

16 THE COURT: Okay.

17 MR. ALEXANDER: But Stream -- and as soon as I touch
18 on one of the entities, I'll tell you who they are and --

19 THE COURT: Okay.

20 MR. ALEXANDER: -- if you have any follow-up, I'd be
21 glad to add additional color and background as necessary.

22 THE COURT: Okay. Okay.

23 MR. ALEXANDER: But Stream was founded in 2009 to
24 develop technology allowing consumers to view 3D content
25 without the need to wear glasses or goggles, right? So

1 typically, when you see people utilizing 3D technology, they
2 have some type of viewer on, whether it's basic glasses or more
3 advanced type of goggles.

4 What was done, what the Debtors were doing, is they
5 trademarked what they called their Ultra-D technology. And
6 this is a proprietary combination of hardware and software that
7 creates a, you know, as noted by the Debtor's principal, Mr.
8 Rajan, in various declarations, it creates a natural,
9 comfortable, and immersive glasses-free 3D viewing experience.

10 And so their goal --

11 THE COURT: And what's it called again, counsel?

12 MR. ALEXANDER: Ultra-D.

13 THE COURT: What's the trademark? Ultra?

14 MR. ALEXANDER: Hyphen, D. Capital D.

15 THE COURT: Okay. Okay.

16 MR. ALEXANDER: And so as a technology itself, the
17 Ultra-D can be applied to panels, you know, of nearly any type
18 and size, and it's compatible with touchscreen features as
19 well. So ultimately, what this means is that consumers are
20 going to be able to experience this technology on any device,
21 whether it's a television, a tablet, a smartphone, portable
22 game player, a laptop, you know, computers, you name it.

23 To the extent there's a panel or a type of screen,
24 you could apply this technology to it. And as of the end of
25 last year, the Debtor and various of its subsidiaries have been

1 granted 128 patents in 13 patent families.

2 So as part of this process of taking this Ultra-D
3 technology and applying it to these panels, the Debtors
4 commissioned to manufacture a specialized optical bonding
5 equipment which would manufacture video panels utilizing the
6 Ultra-D technology. If you want to think about this, what the
7 machine does is it glues a 3D lens to a video panel. And you
8 know, this particular -- and that is the large machine that the
9 Debtors purchased and had built customized for them to bring
10 this technology to various panels.

11 Currently, this particular machine, this bonding
12 equipment is located in a warehouse in China. There's no
13 dispute that the Debtor is the entity that bought this
14 equipment and there should be no dispute that the Debtor owns
15 this equipment and has title to this equipment.

16 But this equipment, in its current form, it needs to
17 be reassembled. It's currently in parts. But it was
18 previously put together and it was calibrated and optimized so
19 that the Debtor was achieving a high-yield rate of production
20 of 65-inch video panels. And there were some of these panels
21 that were manufactured and, you know, were sold onto the market
22 in terms of that.

23 This machine is integral to the Debtor's ability to
24 operate, to be successful in this Chapter 11 case, and various
25 parties have been preventing the Debtor from obtaining this

1 equipment. When we first filed the case, the Debtor had been
2 in year-long litigation with various entities that loaned the
3 Debtor money. One of those entities was SLS Holdings and the
4 other was Hawk Investment Holdings.

5 You know, you'll hear lots of, you know, argument
6 about what the basis of that litigation was. But essentially,
7 the litigation started when there were alleged defaults under
8 various loan documents with the parties. And then, the SLS and
9 Hawk entities ultimately entered into an agreement, which is
10 called the omnibus agreement, which stripped Stream of all of
11 its assets. Essentially, it transferred it to a new entity,
12 which is called SeeCubic, Inc.

13 And you're going to hear multiple SeeCubic entities.
14 But SeeCubic, Inc., is an entity that was created by SLS and
15 Hawk to take the Debtor's assets. There was litigation over
16 the validity of that agreement. And ultimately, in the
17 Delaware Chancery Court, the court ruled -- it entered a
18 preliminary injunction, you know, holding that that agreement
19 was effective, even though Stream argued that it was
20 ineffective because it required the vote of its Class B
21 shareholders before it could be effective, which it did not
22 get. And Class B is for the most part controlled by Mr. Rajan.

23 However, they proceeded to transfer the assets
24 pursuant to that agreement. There was a bankruptcy that the
25 Debtor filed, Stream, originally in Delaware. And that was

1 ultimately dismissed. And one of the primary reasons if not
2 the sole reason it was dismissed is because the bankruptcy
3 court held that the Chancery --

4 THE COURT: Hello? Turn your phone on mute, whoever
5 is talking. Hello? Turn your phone down. Do we know who's
6 talking, that we can mute them?

7 COURT REPORTER: I just muted him.

8 THE COURT: Thank you.

9 MR. ALEXANDER: The bankruptcy court ultimately
10 upheld -- or dismissed it primarily because it said that
11 agreement was valid and there was a transfer of the assets and
12 the Debtors didn't have any assets. But to the extent that
13 issue got resolved, then maybe another bankruptcy would be
14 appropriate.

15 Fast forward a couple years. That makes its way
16 through the appellate courts in Delaware. And ultimately, the
17 Delaware Supreme Court, in a 5-0 opinion, determined that that
18 preliminary injunction and the final injunction and declaratory
19 judgment with respect to that omnibus agreement should not have
20 been entered because the Class B shareholder never voted to
21 approve that, and therefore, it violated Stream's charter in
22 order to authorize the transfer of the Debtor's assets.

23 So that went back down. It was supposed to go back
24 down to the Chancery Court with all of the Debtor's assets
25 going back to Stream from this entity SeeCubic that was

1 created. Because SeeCubic, as soon as they got that ruling
2 from the Chancery Court, they went and started taking all of
3 Stream's assets under, you know, the protection -- supposed
4 protection of this order and this agreement.

5 But that agreement ended up being void. So they were
6 required to return all of the assets back to the Debtor. And
7 they never did that. You know, to this day, we're still
8 missing assets that were taken that were not returned.

9 With respect to the bonding equipment itself, what
10 they ultimately did is they tried to transfer it to other
11 entities to keep it out of the Debtor's possession. Right?
12 They recognized that it was owned by the Debtor, but they made
13 it seem as if they put it in another entity's hands because
14 they were afraid of what might happen to it.

15 But that's not the issue. The issue is who should
16 have possession, you know, of this bonding equipment. And the
17 Debtor is the entity that should have possession of the bonding
18 equipment. It's integral to its reorganization. It's one of
19 the key pieces of technology that allows the Debtor to produce
20 these screens or these panels.

21 And so we filed it on an emergency basis because once
22 the Debtor gets this equipment, you know, there's going to be a
23 ramp up period where they need to reassemble the equipment and
24 they need to get the line up and running. And then, they can
25 start fulfilling orders for customers.

1 Since they've been in this case, the Debtors, they've
2 already had deals with various customers in which they have
3 purchase orders for an excess of \$100 million. And so if the
4 Debtor can get through this bankruptcy case, it's going to need
5 this optical bonding equipment in order to do that.

6 And once that happens, you know, what will take place
7 is the Debtor will be able to satisfy any claims that these
8 Creditors had or have. You know, there's going to be disputes
9 as to the amounts of the claims. And then specific -- and also
10 disputes with respect to whether any portion or all of the Hawk
11 Investment Holding claim, you know, was converted to equity.

12 But those issues don't need to be resolved right now
13 and those claims will be dealt with as part of the claims
14 process and in the Debtor's plan. But in order to get to that
15 point, the Debtor needs to get started because there's going to
16 be an approximately 60-day period for it to reassemble this
17 equipment and get everything up and running.

18 During that time period, it will be able to send
19 some, I guess, initial product to some of its ultimate end
20 users. But in order to get the mass production, you know, it's
21 going to take, you know, that full 60 to 90 days to do. So
22 every day the Debtor does not have the equipment, it pushes us
23 further behind in terms of being able to fulfill the
24 obligations in this bankruptcy case.

25 And so we've seen arguments from the other side that

1 this isn't an emergency because the Debtor has not had its
2 equipment. But that misses the point. The Debtor needs the
3 equipment and must have the equipment in order to be successful
4 in the case. There's no reason for the Debtor not to have this
5 equipment and it should have been turned over immediately upon
6 the bankruptcy filing.

7 And in fact, in one of the actions that was pending,
8 there was a receiver pendent lite that was appointed over
9 Technovative. His name was Mr. Ian Liston. And upon the
10 filing, Debtor's counsel reached out to Mr. Liston. And he
11 said, well, here's the location of the bonding equipment. You
12 know, you guys are in control now, you know, go get it.

13 But when we attempted to get it, and as we outline in
14 our motion, the landlord indicated that various parties,
15 through counsel, said that the equipment couldn't be released
16 for the Debtor. And when we dug a little deeper to figure out,
17 you know, who was making these claims and preventing the
18 release, we find out that the lease of the building is in the
19 name of SeeCubic, B.V., which is a subsidiary of the Debtors.
20 And the lease was executed by a Patrick Thune. But Mr. Thune,
21 in collaboration with Mr. Shad Stastney, who's a representative
22 of SeeCubic, have indicated that they're not going to allow
23 Debtors to get the bonding equipment.

24 And so there's no basis at all for them to not allow
25 the Debtors access to the bonding equipment. You know, once

1 the Debtors have the bonding equipment, they're going to set it
2 up in a facility, start doing the test runs, and get it fully
3 operational so that they can go ahead and move forward with the
4 production.

5 You know, the Debtors, based on their discussions
6 with various other end users, have been told that once they
7 actually get possession of the bonding equipment, there's going
8 to be more orders to come. So you have these Creditors on the
9 one hand who are fighting the Debtors from getting their
10 assets, but the reason they're fighting them is because they
11 want to keep the assets for themselves and strip the Debtor of
12 all of its value and leave all of the Creditors and the Debtor
13 -- other Creditors and the Debtor holding the bag.

14 But that's not how the bankruptcy process works. The
15 Debtors are fiduciaries for all parties, and their goal is to
16 come up with a plan. And that's what the Debtors are doing
17 here, to come up with a plan to treat all Creditor claims. And
18 they believe that once they get the equipment, they'll be on
19 the path to doing that.

20 You know, we've already filed redacted versions of
21 certain of the purchase orders showing that this is real and
22 the Debtor is going to be capable of -- in order for the Debtor
23 to fulfill those, it needs the bonding equipment. Okay?

24 So that is what relates specifically to the bonding
25 equipment. And as we dug in deeper to get the bonding

1 equipment, Mr. Rajan actually flew over to the Netherlands.
2 And when you talked about corporate structure and parties, Your
3 Honor, I'm not sure how detailed you'd like me to get into the
4 various, I guess the corporate structure.

5 But the way it works -- and this is -- I don't know
6 if you have access to your docket right now. But if you look
7 at docket entry 48-5, that lays out the structure and the
8 ownership from Stream TV being the parent company, owning 100
9 percent of the shares of Technovative. And then, there's
10 another entity in between called Ultra-D Ventures, C.V. And
11 then --

12 THE COURT: Hold on, counsel. Hold on. I actually
13 have -- we have our own little chart here that --

14 MR. ALEXANDER: Okay.

15 THE COURT: -- we've got to make. Stream TV is the
16 Debtor. And then, Stream owns 100 percent of Technovative; is
17 that correct?

18 MR. ALEXANDER: That is correct.

19 THE COURT: And then, Technovative is the 99 percent
20 general partner of Ultra-D Ventures Curacao. Where is that?
21 Am I pronouncing that right?

22 MR. ALEXANDER: Yes, you are. Correct, Your Honor.

23 THE COURT: Well, let me -- okay. Is that correct?

24 MR. ALEXANDER: Yes, Your Honor.

25 THE COURT: And then, Ultra-D Ventures is 99

1 percent -- I don't know if they're a general partner or owner
2 of Ultra-D Cooperative in the Netherlands. Is that correct?

3 MR. ALEXANDER: That's correct, Your Honor. And
4 then, if you drop down one more, you get to the SeeCubic, B.V.
5 entity.

6 THE COURT: Right. Which is 100 percent owned by the
7 Ultra-D Cooperative, or am I wrong about that?

8 MR. ALEXANDER: You are right about that, Your Honor.

9 THE COURT: Okay. And then, there's a SeeCubic,
10 Limited. That is 100 percent owned by SeeCubic, B.V.?

11 MR. ALEXANDER: That's not on the chart I'm looking
12 at, Your Honor. And for today's purposes, I don't --

13 THE COURT: Well, we made our own chart. This is my
14 chart.

15 MR. ALEXANDER: Oh, okay.

16 THE COURT: This is my chart.

17 MR. ALEXANDER: Understood.

18 THE COURT: So let's stop with your chart.

19 MR. ALEXANDER: Okay.

20 THE COURT: We'll stop at SeeCubic, 100 percent of
21 SeeCubic, B.V., is owned by Ultra-D Cooperative. I want to
22 stop there because we were trying to figure -- believe it or
23 not, I do read these things. Trying to figure out who's what.

24 Okay. And then, we have U.S. Debtors, three Dutch
25 entities, and then we have SeeCubic entities. Okay. All

1 right. And we got them color-coded, which, you know, didn't
2 come out too well. Okay.

3 MR. ALEXANDER: Yeah.

4 THE COURT: So --

5 MR. ALEXANDER: And so just so you know, the --

6 THE COURT: I need for the --

7 MR. ALEXANDER: The limited entity is not related to
8 the Debtor that you just mentioned.

9 THE COURT: Which one is not related to the Debtor?

10 MR. ALEXANDER: You said SeeCubic, Limited.

11 THE COURT: Right. That's not related to the Debtor?

12 MR. ALEXANDER: No.

13 THE COURT: Okay. Are you using --

14 MR. ALEXANDER: It's my understanding -- it's my
15 understanding that that's one of Mr. Shad Stastney, whose of
16 SeeCubic, Inc., that's one of his U.K. entities.

17 THE COURT: Okay. Okay. And to the extent this is
18 relevant to the matter before the Court today is what I am
19 trying to figure out. I don't need to know all of these
20 different -- but only with respect -- because what the Debtor,
21 with respect to the motion to enforce stay and direct turnover,
22 has at least at some point -- or maybe in the opposition, some
23 reference to these various entities. And I think on page 19 of
24 the opposition, there was also a chart. Am I in the right one?
25 Let me see.

1 There was a chart on page -- yes -- 19 that -- well,
2 it looks better than my chart.

3 MR. ALEXANDER: Which --

4 THE COURT: Okay.

5 MR. ALEXANDER: Your Honor, could you -- which
6 opposition? Because there's been lots of oppositions and
7 affirmative motions filed.

8 THE COURT: This is the Opposition --

9 MR. ALEXANDER: What's the docket entry number?

10 THE COURT: Yeah. This is docket entry 105.

11 MR. ALEXANDER: Okay.

12 THE COURT: Which is SeeCubic's objection to the
13 Debtor's emergency motion for entry of an order. And on page
14 19, there was also a chart that to some extent follows this --
15 but had more than what at least was on mine.

16 MR. MAZZA: Your Honor, I'm sorry to interrupt. This
17 is Jim Mazza from Skadden. And I interrupt because you're
18 referring to the papers that we filed on behalf of SeeCubic.
19 So in that, that chart does indicate which entities are, you
20 know, putative Debtors and then the entities below them, which
21 are non-Debtors, down to the entities that I believe have been
22 framed by the putative Debtors as subject to this automatic
23 stay dispute. And those are color-coded in green, beginning at
24 Cooperative.

25 THE COURT: Okay. Well, mine did not color-code. So

1 I have --

2 MR. MAZZA: Oh, I apologize.

3 THE COURT: No, it's not your fault. It just didn't.

4 MR. MAZZA: Yeah.

5 THE COURT: And so there's -- yes. I think what was
6 missing on mine are the ones that you had in between the
7 Technology Holdings Delaware, Media Holdings Delaware, Ultra-D
8 Ventures C.V. Curacao is on there. Ultra-D Cooperative, the
9 Netherlands is there. And then, the Stream TV Netherlands is
10 on there. And the SeeCubic, B.V., the Netherlands is on your
11 chart. I have SeeCubic, Limited, and I also have SeeCubic
12 India, which is not on yours.

13 So as I said, we tried to figure this out. Not sure
14 how well we did, but we tried. So at some point, I just want
15 the parties to at least tell me how they think they're related.
16 The Debtors think that their -- the assets are somehow related
17 to the Debtor. Obviously, the opposition does not believe that
18 they're any way related to the Debtor, but I'll hear those
19 arguments.

20 Okay. So Mister -- counsel for Debtor, you can
21 continue with respect to -- I think we have the corporate
22 structure, at least what I need to know at the moment just from
23 an overall basis. I am assuming that the parties will get into
24 more detail. Okay?

25 MR. ALEXANDER: Thank you, Your Honor. So in terms

1 of what was discovered after we filed the initial motion, and
2 as you may recall, I said that there was a, you know, a
3 receiver in place who, upon the filing of the bankruptcy,
4 recognized that he was displaced. And the receiver was
5 directly controlling, you know, all of these subsidiaries
6 through the rights of Stream and Technovative.

7 So upon the filing, you know, all these rights vested
8 or revested in the Debtor. And they worked with Mr. Liston,
9 who was the receiver. He acknowledged that he was displaced.
10 He began turning over information and materials regarding, you
11 know, all of the subsidiaries, including with respect to the
12 bonding equipment.

13 And then, in order to continue using these management
14 rights and operate these subsidiaries that are integral, you
15 know, to the Debtor's business because they hold the Debtor's
16 intellectual property, Mr. Rajan flew over to the Netherlands
17 in order to assess the situation there, you know, from a
18 financial standpoint, from an employee standpoint, and also
19 determine what was going on, advise the parties of the
20 bankruptcy, advise that he was the CEO, which he is. And he's
21 the sole director of those entities. And that they needed to
22 start cooperating with respect to the Debtors being able to
23 proceed in the bankruptcy case and that Mr. Liston was no
24 longer involved.

25 And in fact, Mr. Liston actually sent correspondence

1 to SeeCubic, B.V., and Mr. Patrick Thune, who works at
2 SeeCubic, B.V., you know, advising them that this transition
3 was taking place. And so there was no doubt that all of these
4 parties, you know, had knowledge of the bankruptcy cases and
5 that there's no dispute of the ownership.

6 There's never at any point, you know, been any
7 transfer of the ownership of any of these entities. There's
8 been no foreclosure of stock interests. None of these
9 Creditors have ever taken that step. And so they are still
10 owned by the Debtors.

11 And so what comes along with that are the rights to
12 manage and operate these entities. And so that's what Mr.
13 Rajan was doing when he went over there, was to assess it, take
14 control, and also to determine what type of funding was
15 necessary to keep running these entities and also determine,
16 you know, whether that lines up what the vision is going
17 forward in terms of the Debtor's operations.

18 And what Mister --

19 THE COURT: Counsel?

20 MR. ALEXANDER: Yes, Judge?

21 THE COURT: Counsel?

22 MR. ALEXANDER: Sure?

23 THE COURT: When you say these entities, specifically
24 what entities are you referring to?

25 MR. ALEXANDER: SeeCubic, B.V. is the specific entity

1 that he went over to the Netherlands in terms of the operations
2 of. And that's owned by the Stream TV Network and
3 Technovative, when you follow through the chart.

4 THE COURT: If I look at this chart and do a
5 back -- okay. There's two different -- your chart doesn't have
6 the Delaware and the Hawk has Technology Holdings Delaware and
7 Media Holdings. And mine just goes straight from -- and I
8 don't know which one is right, I just made my own chart --
9 Stream TV to Technovative, Technovative to Ultra-D, and Ultra-D
10 Ventures to Ultra-D Cooperative, and then Ultra-D Cooperative
11 to SeeCubic, B.V. So we're talking about SeeCubic, B.V. is the
12 one in the Netherlands that you went over for? Mr. Rajan went
13 over for?

14 MR. ALEXANDER: Yeah. That's correct, Your Honor.
15 Okay. And so that entity. And what they were met with was Mr.
16 Patrick Thune advising them that Mr. Stastney -- remember Mr.
17 Stastney is affiliated with SeeCubic, Inc., and those are
18 Creditors, you know, of --

19 THE COURT: Now, wait a minute. Could you spell that
20 for me?

21 MR. ALEXANDER: Stastney is S-T-A-S-T-N-E-Y.

22 THE COURT: I'm sorry, say that again.

23 MR. ALEXANDER: His first name is Shadron. I believe
24 I said that correctly. It's S-H-A-D-R-O-N. The last name is
25 Stastney, S-T-A-S-T-N-E-Y.

1 THE COURT: And he is? And who is he again?

2 MR. ALEXANDER: He's a principal at SeeCubic, Inc.
3 And also I believe affiliated with Hawk Investment Holdings.

4 THE COURT: Okay. So I think you were going --

5 MR. ALEXANDER: I'm sorry. He's affiliated with SLS.
6 I apologize.

7 THE COURT: With SLS.

8 MR. ALEXANDER: SLS Holdings.

9 THE COURT: Wait. S?

10 MR. ALEXANDER: L-S, Holdings.

11 THE COURT: Okay.

12 MR. ALEXANDER: And those are parties, if you recall,
13 that said the Debtor had financing arrangements with Hawk
14 Investment Holdings and also SLS Holdings, I believe it's VI,
15 LLC. None of those entities, you know, loaned money to any of
16 the subsidiary entities. It was solely Stream TV, the Debtor.

17 THE COURT: Okay.

18 MR. ALEXANDER: And what Mr. Thune was telling Mr.
19 Rajan is Mr. Stastney, based on his debts with the Debtors,
20 right, so the claims that he believes he has against the
21 Debtors, you know, he's able to direct, you know, certain
22 actions at the subsidiaries. And so they're trying to use
23 their debts against the Debtors to try and impact these
24 subsidiaries that are integral to the Debtor's reorganization
25 process and were set up for, you know, tax and research and

1 design purposes.

2 And so they're interfering with the Debtor's ability
3 to be able to manage these entities. And they have no basis to
4 do that. You know, Mr. Rajan is the CEO. And again, there's
5 been no argument or I haven't seen anything in any of the
6 papers, you know, indicating that stock ownership was
7 transferred away from Stream TV or Technovative with respect to
8 any of the downstream entities.

9 And so upon the filing, all of that ownership
10 remained with the Debtor's estates. And so what these parties
11 are trying to do is make an end run and try to go now at the
12 other assets. But their only basis for attempting to do that
13 is based on their claims that they assert that they have
14 against the Debtors.

15 And so their actions are damaging the estates and the
16 abilities of the Debtor to proceed and progress in this case.
17 Because again, the SeeCubic, B.V. entity holds the R&D and
18 certain of the intellectual property that's utilized by the
19 Debtors to manufacture those panels that we discussed about
20 earlier through the use of the bonding machine.

21 So it's all interrelated in terms of the process in
22 which the Debtors are going to be able to succeed. And so you
23 have parties that have come before this Court, you know, who
24 filed a motion to seek relief from the automatic stay to
25 proceed with a, you know, dispute in the Chancery Court in

1 Delaware. But then, they're taking the very action that they
2 were seeking to obtain by seeking the relief.

3 And so clearly, they know that the actions they're
4 doing are improper and are a violation of the stay. And so
5 what we're seeking from the Court with respect to that is for
6 them to stop interfering with the Debtor's management. And
7 they've even gone so far as to file a lawsuit in the
8 Netherlands trying to strip the Debtors of their management
9 rights with respect to SeeCubic, B.V.

10 And so the Debtor has those rights through its
11 ownership interests, you know, through the various
12 subsidiaries. And we believe that's an intentional
13 interference with property of the estate and the Debtor's
14 ability to manage, you know, its assets.

15 And so we think it clearly falls within a violation
16 of the stay. And so the first two violations that we have are,
17 one, with respect to the bonding equipment. And you know,
18 quite frankly, I haven't seen anything filed which indicates
19 it's not owned by the Debtors and shouldn't be in their
20 possession.

21 And now, we have the management rights of the
22 subsidiaries that are being interfered with by the acts of, you
23 know, Mr. Stastney directing people such as Patrick Thune. And
24 then also, you know, the filing of the lawsuit, which was
25 purportedly filed on behalf of SLS, Hawk, SeeCubic, Inc., and

1 Mr. Stastney.

2 And so if the Debtors are going to have a chance to
3 succeed in this case, you know, this interference has to stop.
4 You know, these parties are looking to steal the Debtor's
5 assets and keep them for themselves, but that's not what
6 bankruptcy is about. It's an equitable process in which the
7 Debtors have a statutory right to attempt to reorganize. And
8 that's what they're trying to do in this, but they need
9 possession of all of their assets and they need the
10 interference to cease.

11 The third basket, in terms of the stay relief and
12 turnover, if you recall, I previously had mentioned that
13 omnibus agreement. And part of that agreement and the order
14 from the Chancery Court required certain assets -- and we list
15 the assets in the motion, with respect to various display
16 units, tablets, corporate laptops. All of those ended up being
17 turned over from Stream to SeeCubic, Inc.

18 Once the omnibus agreement was determined to be void
19 and improper by the Delaware Supreme Court, those assets were
20 all supposed to come back. The Chancery Court entered an order
21 saying all those assets needed to come back. And to this day,
22 those assets still have not been returned to the Debtor. And
23 we outlined, you know, the specific assets in our -- and let me
24 get the document entry number. We believe it's 76, Your Honor.

25 THE COURT: Let me -- I don't think I've printed out

1 76, but let me look at -- motion for sanctions. Is that the
2 original motion?

3 MR. ALEXANDER: Let me double check. Maybe that's
4 not -- it's not. I apologize, Your Honor. It's not outlined.
5 I'll get the docket entry for you that has those identified.
6 But those are the assets that were transferred and were
7 supposed to come back to the Debtor.

8 THE COURT: All right.

9 MR. ALEXANDER: And SeeCubic, Inc., has refused to
10 deliver them, or alternatively, account for them in terms of
11 what happened to them. Because the response the Debtor had
12 when it sought certain of these are, well, some of those aren't
13 really property of the Debtor because maybe we made some
14 improvements to them. Or they were returned.

15 But you know, we believe the code requires more than
16 that, and it actually requires not only the return but an
17 accounting for those assets, so.

18 THE COURT: Okay. And what assets are you -- what
19 docket entry number are you referring to?

20 MR. ALEXANDER: I'm scrolling through to try and find
21 that as we talk, Your Honor.

22 THE COURT: Is it in your supplemental, number 90? I
23 did print 90, but not -- supplemental motion for stay for
24 turnover and sanction.

25 MR. ALEXANDER: It may be 76, and then, number 3.

1 THE COURT: Number 3?

2 MR. ALEXANDER: So 76-3.

3 THE COURT: Okay. Exhibit C?

4 MR. ALEXANDER: That's correct, Your Honor. Where we
5 list the other Stream assets, a list of Debtor's property, you
6 know, in possession of SeeCubic, Inc. And we go through there,
7 there's the Ultra-D -- their demonstrator samples. We identify
8 the last location, you know, where they were at or where the
9 Debtors knew they were at. And then, we also go through and
10 list the tablets. To the extent that we have serial numbers,
11 we listed the serial numbers.

12 And so we provided as much information as possible so
13 that there's no misunderstanding in terms of, you know, what
14 assets are being referred to and which ones need to be turned
15 over. And so we've identified, you know, each of those assets
16 and the reasons why those assets are important.

17 You know, putting aside the business computers, which
18 had numerous information of the Debtor's in terms of their
19 business operations on it, which they no longer have access to,
20 but the specific samples. This is what the Debtors use when
21 they go out to pitch the product and sell it to other parties.

22 And so again, part of the equation is, is it of
23 inconsequential value. And certainly, these are very material
24 and they allow the Debtors to go out and get more purchase
25 orders with the goal in mind of being able to deal with the

1 debts of SLS and Hawk, you know, in this bankruptcy process.

2 And so these are very integral to the Debtors being
3 able to do that. And these are samples that, you know,
4 customers want to see. I mean, they actually want to see the
5 product work and how it works before they, you know, issue more
6 purchase orders or for entities that the Debtors have not done
7 business with in the past, new purchase orders.

8 And so all of that property, you know, should be
9 returned and turned back over to the Debtors so that they can
10 utilize it as part of the process, in terms of reorganization.
11 And so you know, most creditors that I see in bankruptcy cases,
12 they want to get paid. And so in order for these Creditors to
13 get paid, you know, they need to allow the Debtors to operate
14 and not interfere with their operations and allow them to have
15 all of their property in their possession.

16 It's all going to be under this Court's, you know,
17 jurisdiction, in terms of how the Debtor operates, reporting
18 requirements. And so that is, you know, what we're looking to
19 do here, is to stop the violations of the automatic stay,
20 require property to be turned over to the Debtor. There's no
21 good faith basis for it not to be in the possession of the
22 Debtors. And this is very material to the Debtors.

23 And you know, I just want to note in terms of the
24 urgency with respect to the interference at SeeCubic, B.V., you
25 know, they've filed a proceeding and they have a hearing set on

1 the 20th where they're trying to oust Mr. Rajan, you know, from
2 the management of that entity. And you know, that could be
3 very detrimental because again, the Debtor then won't have
4 control over its intellectual property which it utilizes in
5 terms of creating these panels, which is has \$100 million-plus
6 in orders that it's obtained since the bankruptcy cases were
7 filed.

8 So we need the actions to stop. We need the parties
9 to comply with what the bankruptcy code requires. And then,
10 the Debtors can go ahead and proceed with the case in an
11 orderly fashion. And instead of focusing on, you know, where
12 are our assets, who's interfering with it, they can actually
13 focus on the restructuring part and making sure that Creditors
14 in this case and their claims ultimately get satisfied as part
15 of a plan because there should be plenty of money, based on
16 these orders, to deal with all the claims in this bankruptcy
17 case.

18 But the Debtors need the breathing spell and they
19 need to be afforded the rights under the bankruptcy code in
20 order to do that without the violations by SLS, Hawk, SeeCubic,
21 and Mr. Stastney, and their work essentially interfering in the
22 operations of the Debtor's subsidiary, SeeCubic, B.V., in the
23 Netherlands.

24 And so Your Honor, we believe that there's an urgency
25 in granting this relief and we would request that Your Honor

1 enter an order directing them to stop interfering with the
2 Debtor's management of its subsidiaries, turn over and allow
3 access to the bonding equipment, and also all of the other
4 property that's listed in 76-3.

5 THE COURT: Okay.

6 MR. ALEXANDER: And if Your Honor has any questions,
7 I'm happy to help clarify. I know when we do this over the
8 phone, it's not as easy as if we're able to hand you things in
9 person. But I'm happy to try and point you to any other
10 documents or follow-up on any questions that you may have.

11 THE COURT: Okay. Not at this time. I want to hear
12 from SeeCubic. Okay. And you said Mr. Mazza on behalf of
13 SeeCubic? Or did I have that backwards?

14 MR. MAZZA: You are correct, Your Honor. This is Jim
15 Mazza from Skadden on behalf of SeeCubic. And if I may
16 proceed?

17 THE COURT: Yes.

18 MR. MAZZA: I'll respond to what Mr. Alexander went
19 through. And I got to say, first off, there's a long history
20 here, and I know the Court has seen a lot of papers get filed
21 with that history. And I'm not going to belabor it, but -- and
22 I think it's going to come out as more as there will actually
23 be evidence as part of this case.

24 But I think the axiom that an honest debtor is
25 entitled to the benefit of the doubt does not apply here.

1 There is history with this being the third filing, and Mr.
2 Alexander has an explanation as to why this was an okay filing.
3 I'll respond to that in due course.

4 But every one of these filings was at the eleventh
5 hour to avoid a foreclosure. It's a textbook bad faith use of
6 the bankruptcy system, and I think Hawk's motion to dismiss,
7 convert, or have a trustee appointed is actually much more
8 relevant than the rich irony of the Debtor hauling us into
9 court to try to have to explain ourselves when they have both
10 the facts and the law completely wrong. And it should be their
11 principal, Mr. Rajan, explaining himself as to why these cases
12 were filed and what this is really about.

13 The automatic stay issues, Your Honor, are actually
14 pretty simple when you look at the law. And I don't think -- I
15 know this isn't an evidentiary hearing. I know there seems
16 like there was a lot of testimony from the podium from Mr.
17 Alexander. And what it boils down to, it's pretty simple.

18 We're looking at a few different discrete items that
19 they're making complaints about, the first of which is this
20 bonding equipment. And I think there's enough in the record
21 that the Court can take judicial notice of to the extent
22 there's any need for facts. But the bottom line is there's a
23 simple legal principal that applies here that the Supreme Court
24 had put in a holding very recently. And that is the retention
25 of estate property is not a stay violation. And that, we cited

1 in our papers, Fulton v. City of Chicago.

2 And that's the law, period, full stop. I've
3 mentioned --

4 THE COURT: Okay. Counsel, let me ask you -- let me
5 ask you with respect to the Fulton decision. Retention. In
6 those cases, the -- I think it was a couple of cases -- the
7 City of Chicago had repossessed the vehicles in question. So
8 they were rightfully in possession. In other words, they had
9 a -- they were holding it pursuant to, I guess, their rule,
10 whatever.

11 And what I'm trying to figure out in this case, what
12 right did SeeCubic have to -- let's start with that bonding
13 equipment first. Under what basis did SeeCubic have -- so
14 that's the first thing you have to establish, is that you had a
15 right to retain it. So what basis did SeeCubic have to be in
16 possession of this bonding equipment?

17 MR. MAZZA: Your Honor, let me answer that question
18 as to the facts as it relates to the bonding equipment that we
19 laid out in our papers and what has been going on in the Court
20 of Chancery. So that bonding equipment is sitting in a
21 warehouse in a city in China, and it's been sitting there
22 inoperable for a long period of time.

23 And so SeeCubic is --

24 THE COURT: Okay.

25 MR. MAZZA: SeeCubic is not doing anything to

1 exercise any control over that equipment. It just remains in
2 the warehouse. And so that --

3 THE COURT: Okay. So why isn't it being -- no, no,
4 no. It's more than that. Why isn't it being released to the
5 Debtor?

6 MR. MAZZA: So and Hawk, I know, is on the phone as
7 well. And I think one thing that the Debtor's counsel has not
8 conveyed to the Court are discussions where the parties have
9 tried to figure out a way to consensually actually return the
10 equipment to Stream under the ordinary process of dealing with
11 adequate protection.

12 And let me tell you, Your Honor, the discussions
13 around that were pretty basic, asking the Debtor for proof of
14 insurance, method by which they would move the equipment,
15 because it's highly technical equipment, where they might
16 actually move the equipment, as far as ultimate location.
17 Those particular details have not been shared with either us or
18 Hawk as part of this discussion.

19 So really, the --

20 THE COURT: So counsel, let me ask you this. You
21 represent SeeCubic.

22 MR. MAZZA: Correct.

23 THE COURT: What is SeeCubic's interest in this
24 bonding equipment?

25 MR. MAZZA: SeeCubic's interest in the bonding

1 equipment, I think, Your Honor, there's a few points. Again,
2 it's sitting in a warehouse in China --

3 THE COURT: Counsel, I get all that.

4 MR. MAZZA: Correct. Right.

5 THE COURT: My question is what is SeeCubic's
6 interest in the bonding equipment and what is it based on?

7 MR. MAZZA: So we are a secured Creditor, along with
8 Hawk, in connection with the bonding equipment. And therefore,
9 we have an interest in the Debtor providing adequate
10 protection, which, again, we tried to resolve --

11 THE COURT: Okay. So wait a minute, counsel --

12 MR. MAZZA: -- resolve with the Debtor.

13 THE COURT: Counsel. Counsel, let me walk you
14 through this. So you're a secured Creditor in that you have a
15 bonding equipment?

16 MR. MAZZA: Correct.

17 THE COURT: And when I say you, you mean SeeCubic has
18 a security interest in the bonding equipment?

19 MR. MAZZA: That's right, Your Honor. Your Honor,
20 this --

21 THE COURT: SeeCubic -- wait a minute.

22 MR. MAZZA: This --

23 THE COURT: Hold on. Hold on. I mean, I'm trying to
24 get the facts, because my reading -- and that's why I'm asking
25 questions -- is that I thought -- and there's a couple of

1 SeeCubics. I thought the -- which SeeCubic are you referring
2 to? So maybe that makes a difference.

3 MR. MAZZA: Yeah. Yeah. Right, Your Honor. I can
4 see how it can get a little bit --

5 THE COURT: So SeeCubic. Who has a security interest
6 in the bonding? SeeCubic, Inc.?

7 MR. MAZZA: Correct.

8 THE COURT: Now, I thought SeeCubic, Inc., was formed
9 to take possession pursuant to that agreement?

10 MR. MAZZA: You're right, Your Honor. It was the
11 acquisition vehicle through the foreclosure that previously
12 occurred. And so --

13 THE COURT: So how does it have a security interest?
14 It's actually, its interest in the bonding equipment arose
15 pursuant to that agreement that is now void. At least,
16 according to the Delaware Supreme Court, that agreement is
17 ineffective and any transfer to SeeCubic would be ineffective.

18 MR. MAZZA: Right.

19 THE COURT: So SeeCubic's interest was pursuant to a
20 void order. How is it a secured Creditor?

21 MR. MAZZA: So let me peel it back a little bit
22 further, Your Honor. So Hawk is a secured Creditor of Stream.
23 Under pledge agreements securing loans, Stream granted Hawk the
24 right to vote all of its shares in Technovative common stock
25 following an event of default.

1 After the omnibus agreement was approved, Hawk and
2 SLS made loans to SeeCubic to help grow the business. And they
3 entered into a note and purchase agreement amongst those
4 parties, in conjunction with which Hawk and SLS --

5 THE COURT: What parties? Wait a minute. What
6 parties?

7 MR. MAZZA: Hawk, SLS --

8 THE COURT: What parties?

9 MR. MAZZA: Hawk, Your Honor, and SLS, who's the
10 first lien Creditor, and SeeCubic. And they transferred their
11 rights --

12 THE COURT: Okay. Okay.

13 MR. MAZZA: And they transferred their rights as
14 Creditors to SeeCubic, thereby consolidating those rights
15 within a single entity. Pursuant to that agreement, Hawk is
16 still able to enforce and levy enforcement rights against
17 Stream because of an agreement between SeeCubic and Hawk. So
18 that's how the interplay works between the secured Creditors.
19 And that's been already decided by the Chancery Court in a
20 collateral estoppel opinion that was issued --

21 THE COURT: Okay. And that had nothing to do with
22 that agreement because I understand the agreement, it was
23 pursuant to this agreement that the assets, including this
24 bonding equipment, was transferred to SeeCubic. So right now,
25 the title to this thing belongs to the -- unless you're telling

1 me the Debtor never had title, title and ownership remains with
2 the Debtor. And that according to -- so whatever the -- with
3 respect to -- not with the rights to who had security interests
4 or any of that other stuff.

5 MR. MAZZA: Right.

6 THE COURT: Transfer of the equipment -- talking
7 about the bonding equipment -- to SeeCubic was undone because
8 the court found that whatever happened with respect to that
9 agreement was not enforceable. And so to the extent the
10 equipment had been transferred, it really has to go back to the
11 Debtor.

12 MR. MAZZA: So --

13 THE COURT: So the bonding equipment -- no? Who did
14 it go back to?

15 MR. MAZZA: Sorry. Go ahead.

16 THE COURT: So who did it go back to? Who owns it
17 right now?

18 MR. MAZZA: Yeah. So Your Honor, it's property of
19 the estate. So the --

20 THE COURT: Counsel, that did not answer my question.
21 My question is who owns -- if the transfer to SeeCubic is
22 undone --

23 MR. MAZZA: Correct.

24 THE COURT: -- who is the owner of the bonding
25 equipment?

1 MR. MAZZA: Stream.

2 THE COURT: Okay. So if Stream is the owner and no
3 one has repossessed or foreclosed or did anything with respect
4 to the bonding equipment -- okay? I get you might have a
5 security interest, and I'm not saying you don't. And if the
6 Delaware court already decided you did, that's fine. But for
7 my purposes, if you didn't foreclose, you meaning either
8 SeeCubic, who has the rights of Hawk and SFL -- or am I
9 pronouncing right? Is it FSL or FLS?

10 MR. ALEXANDER: SLS.

11 THE COURT: They transferred --

12 MR. MAZZA: SLS, Your Honor.

13 THE COURT: SL what?

14 MR. MAZZA: SLS.

15 THE COURT: SLS. That's what I thought I said. SLF.
16 I'm saying SFL. SLS. Whatever security interests that Hawk
17 and SLS had in the bonding equipment, they transferred those
18 rights to SeeCubic, correct?

19 MR. MAZZA: Correct.

20 THE COURT: Correct?

21 MR. MAZZA: Correct. You're right.

22 THE COURT: And neither Hawk, SLS, or SeeCubic
23 foreclosed on that or took possession of it, because that order
24 was undone, correct?

25 MR. CAPONI: Your Honor, from Hawk's perspective,

1 incorrect. But I'll let Mr. --

2 THE COURT: Okay.

3 MR. CAPONI: Only because you had mentioned Hawk.

4 MR. MAZZA: Yeah.

5 THE COURT: Well, okay. Well, let's put it this way.

6 Did anybody foreclose on that bonding equipment? Did anybody
7 repossess the bonding equipment?

8 MR. CAPONI: So Your Honor, again, Steve Caponi for
9 Hawk. Factually, what occurred, Your Honor -- and the answer
10 to your question is yes. Factually, what occurred in the
11 connection with -- the Delaware Supreme Court invalidated the
12 omnibus agreement and directed the Court of Chancery to unwind
13 the omnibus agreement, effectively, and move assets back to
14 where they belong.

15 With respect to the piece of bonding equipment, it
16 was never, full stop, never an asset of this estate. It was
17 always --

18 THE COURT: Wait a minute.

19 MR. CAPONI: Yes, Your Honor?

20 THE COURT: Wait a minute. I just -- I just -- Mr.
21 Mazza just said it's property of the estate. Which one is it?
22 Who owns it?

23 MR. CAPONI: I can only answer for my client, Your
24 Honor. The piece of bonding equipment was always retained at
25 the SeeCubic, B.V., level. That's where the equipment was

1 owned. Stream was always and remains a holding company. It's
2 only asset -- it had no operations. Its only asset was stock
3 in Technovative and then downstream to the SeeCubic, B.V.,
4 level.

5 THE COURT: Okay.

6 MR. CAPONI: The way the Court of Chancery
7 effectuated the omnibus agreement, meaning when it first
8 ordered the omnibus agreement to be complied with, what
9 occurred was the stock of Technovative was moved over to
10 SeeCubic because once you took Technovative, all the operating
11 subsidiaries fell underneath that to the really only operating
12 subsidiary, which is SeeCubic, B.V.

13 So fast forward --

14 THE COURT: Okay. So who has --

15 MR. CAPONI: Fast forward --

16 THE COURT: Counsel, let's cut to the chase.

17 MR. CAPONI: Yes.

18 THE COURT: Who is the title owner of the bonding
19 equipment?

20 MR. CAPONI: The title owner of the bonding equipment
21 is SeeCubic, B.V., in the Netherlands. But Your Honor, to your
22 point about foreclosure, after the Supreme Court set aside the
23 omnibus agreement and it came back to the Court of Chancery,
24 the Vice Chancellor Lassiter (phonetic), gave Stream a 10-day
25 window to raise the funds sufficient to pay off the secured

1 debt before it would allow the secured Creditors to exercise
2 their secured Creditor rights, which included foreclosure,
3 self-help, et cetera.

4 That 10-day window expired, Stream having done
5 nothing. Hawk, in the name of Hawk and SLS and SeeCubic --
6 again, as Mr. Mazza indicated, there was a pooling of these
7 security interests -- executed a series of documents
8 repossessing its collateral, directing that the stock in
9 Technovative be transferred over to SeeCubic.

10 That triggered the 225 action. And the court put in
11 place the receiver to freeze everything in place. The receiver
12 was at the Technovative level and lower. And I think the
13 quickest way to dispose of Your Honor's question is if you
14 look, again, judicial notice, at what occurred in the Court of
15 Chancery.

16 When Stream wanted to get possession of the bonding
17 equipment, it negotiated with the receiver, who was below
18 Stream. So if Stream had the bonding equipment, it would not
19 have been negotiating with the receiver. It was negotiating
20 with the receiver, vis a vis Technovative, ultimately
21 controlled SeeCubic, B.V.

22 THE COURT: Okay.

23 MR. CAPONI: There was a motion made with the Court
24 of Chancery where the receiver -- and the Court of Chancery
25 authorized this, so this is like collateral estoppel here. The

1 Court of Chancery authorized the receiver to permit Stream to
2 take possession of the bonding equipment. And the order is
3 very clear, the receiver could cause SeeCubic, B.V., to turn
4 over possession of the bonding equipment -- and SeeCubic, B.V.
5 is a non-Debtor -- if certain conditions were made, which was
6 Mr. Mazza indicated, proof of insurance, putting up a bond, et
7 cetera.

8 The Debtor never did that. So the state of play when
9 this case was filed was that the bonding equipment was still
10 resident under the ownership of SeeCubic, B.V., rights, title,
11 and interest, subject to the secured Creditor's liens. There
12 was an opportunity for the Debtor to take possession -- oh,
13 sorry, SeeCubic, B.V., being a non-Debtor. The Debtor could
14 take possession if it satisfied the court order.

15 It never did. So once the bankruptcy was filed, we
16 are back to the beginning. Stream wants an asset that the
17 right, title, and interest resides pursuant to the Court of
18 Chancery order on this point, at SeeCubic, B.V., subject to the
19 foreclosure options that my client exercised as well as a
20 secured interest.

21 THE COURT: Okay. So you believe that your client
22 actually foreclosed on the property and that it's not property
23 of the Debtor's estate?

24 MR. CAPONI: Correct. Well, it's not property of the
25 Debtor's estate, A, because it's at the SeeCubic, B.V., level,

1 which is not a Debtor or even a subsidiary of a Debtor. It's
2 about four steps removed. And as the Vice Chancellor --

3 THE COURT: Well, but wait a minute. But --

4 MR. CAPONI: Yes, Your Honor?

5 THE COURT: But counsel, you would also agree -- and
6 maybe I'm missing something -- that the SeeCubic, B.V., is
7 owned 100 percent by Ultra-D Cooperative, which is 99 percent
8 owned by Ultra-D Ventures, and Ultra-D Ventures is 99.9
9 percent -- Technovative is the 99.9 percent general partner.
10 So that any interest that these Debtors have -- or the only one
11 I guess would be Technovative -- have is pursuant to its
12 ownership interests in the various companies that flow down to
13 SeeCubic, B.V.?

14 MR. CAPONI: Your Honor --

15 THE COURT: And not directly. And not directly.

16 MR. CAPONI: Yes, Your Honor. So I do not profess to
17 be a -- I'm a litigator, not a pure bankruptcy lawyer. And so
18 I just point out that whatever the legal effect is of the
19 Debtor not putting a subsidiary into bankruptcy is for someone
20 else on this call to address. I will only comment to the
21 extent to say that the laws in the Netherlands, which is why I
22 think there's a hearing next week. I'm not involved in it. I
23 don't know much. But the law in the Netherlands is such that
24 the directors owe duties, I think, greater than to just their
25 controlling stockholder. And that is why the controlling

1 stockholder cannot just replace necessarily a director, which
2 is what the Debtor is trying to do.

3 Again, above my pay grade to a certain extent. But
4 this is not -- if this was in the United States, Your Honor, in
5 Delaware where I'm most familiar, yes, I would agree with you,
6 a wholly owned sub of a wholly owned, you know, sub of a wholly
7 owned sub ultimately goes back to the parent. That apparently
8 is not the case --

9 THE COURT: Right. And the --

10 MR. CAPONI: -- in the Netherlands. And because this
11 is not a Debtor.

12 THE COURT: But it doesn't matter that it's not a
13 Debtor. The Debtor's interest in those entities is property of
14 the estate.

15 MR. CAPONI: Yes, Your Honor.

16 THE COURT: You don't disagree with that?

17 MR. CAPONI: The Debtor does not have an interest in
18 the assets, the specific assets, of the non-Debtor entity.

19 THE COURT: I get that.

20 MR. CAPONI: It has an interest of in the entity.
21 Yes, I agree with you.

22 THE COURT: I get that, counsel. And that's what I'm
23 saying, is the Debtor's interest in the subsidiaries, as I'm
24 going to call them, is property of the estate.

25 Now, I'm a little confused because the Debtor --

1 Debtor's counsel said that the Debtor had title to and
2 purchased the bonding. So somebody is wrong. It can't be
3 both. It can't be that the Debtor purchased and had title, and
4 your position, counsel, that in fact, the Debtor did not
5 purchase and that title lied with SeeCubic, B.V.

6 I don't know which one it is. And I guess -- I mean,
7 I'm not going to decide that today. But it goes to me trying
8 to figure out where we are and whether there's some preliminary
9 relief that I can grant pending a full-blown evidentiary
10 hearing.

11 MR. CAPONI: Your Honor?

12 THE COURT: But it's a --

13 MR. CAPONI: I agree with your -- this is not
14 the -- will not be the first and last time there's a polar
15 opposite view of the facts from the Debtor and the secured
16 Creditors. I would just say the easiest way for the Court to
17 look at this in a preliminary level -- and again, an
18 evidentiary hearing may be required -- is to look at the court,
19 which, the Court can take judicial notice of there was a
20 specific order entered in the Court of Chancery where the
21 Debtor petitioned the receiver in order to get control of this
22 asset.

23 And in that proceeding and in those orders, nowhere
24 did the Debtor argue that it had title. Everyone acknowledged
25 title and possession belonged to SeeCubic, B.V. I understand

1 they're changing their tune now, and we can, you know, tease
2 that out in the future for Your Honor.

3 But lastly on this point, Your Honor, my clients, as
4 the Court of Chancery noted several times, had expansive
5 self-help rights on all of the assets, top to bottom. And we
6 exercised those rights prior to this bankruptcy. The only
7 reason my client was funding and managing and operating
8 SeeCubic, B.V., the only reason we didn't take title to the
9 stock, et cetera, was because the Court of Chancery put the
10 receiver in place during the 225 action. But that occurred
11 after we had already issued all the notices required under the
12 various contracts to pull the trigger on our self-help rights.

13 THE COURT: Okay. So that just means, as far as I'm
14 concerned, is that if you exercised -- and when you say you,
15 presumably, you mean SeeCubic, because what I'm hearing -- or
16 maybe I misunderstood, was that all of the rights for your
17 stock had been transferred to SeeCubic. Was that correct?

18 MR. CAPONI: That is correct, Your Honor. And the
19 reason I refer to -- the reason everyone refers to Hawk in the
20 shorthand for SeeCubic is that SeeCubic -- sorry, SeeCubic
21 issued notes separately to Hawk. Those notes are in default.
22 And Hawk, under those notes, is the collateral agent of
23 SeeCubic, with all of the rights to exercise all of SeeCubic's
24 rights in Hawk's own name or in the name of SeeCubic.

25 So with regard to the secured debt, it is not

1 directly owned by Hawk. But as a result of a default under a
2 different set of notes, for all intents and purposes, Hawk is
3 the party exercising all of SeeCubic's rights.

4 THE COURT: And does SeeCubic exercise and
5 grant -- it's going to get a little dicey, as far as I'm
6 concerned, the -- you said SeeCubic issued notes to Hawk that
7 it defaulted on.

8 MR. CAPONI: Yes.

9 THE COURT: And those notes to Hawk gave -- what did
10 SeeCubic give to Hawk on those notes? In connection with those
11 notes?

12 MR. CAPONI: Your Honor, those -- yeah. Those notes,
13 by virtue of those notes, Hawk was the first lien secured
14 Creditor over all of the assets -- let me -- if I could step
15 back for one second. Hawk was the primary funder of Stream and
16 had a security interest over everything at Stream. When Hawk
17 contributed that debt and those rights to SeeCubic, one of the
18 things --

19 THE COURT: Let me ask -- hold on a minute.

20 MR. CAPONI: And this is shorthand.

21 THE COURT: Hold on.

22 MR. CAPONI: Yes.

23 THE COURT: Hold on. Back up a minute. You told me
24 that Stream -- Steam, right? The Debtor Stream was just a
25 holding company and had no operations. It was just a holding

1 company for all these other subsidiaries.

2 MR. CAPONI: Correct.

3 THE COURT: So what did you -- what did you fund
4 Stream TV to do? I mean, it was a non-operating company. What
5 did you loan -- you, meaning Hawk -- loan them money for?

6 MR. CAPONI: Well, Stream was the primary vehicle
7 through which third parties made an -- when I refer to Stream,
8 I'm referring -- I was referring to it as the family. But to
9 be technical, the Stream entity that is the Debtor was the
10 vehicle through which funding was raised. That money was then
11 downstreamed to the operating entities.

12 And in certain instances, Hawk -- I'm not sure about
13 SLS, but Hawk funded directly past Stream down to the SeeCubic,
14 B.V., level as well. And in exchange for the totality of that
15 funding -- there were 18 different notes -- when you wrap them
16 all together, Hawk had a security interest with self-help
17 rights, et cetera, over all of the assets in the Stream family,
18 from top to bottom, from the Stream parent level to the
19 SeeCubic, B.V., level, and had pledge rights and -- these are
20 very voluminous documents.

21 THE COURT: Okay.

22 MR. CAPONI: But when those rights were contributed
23 to SeeCubic, Hawk received a commensurate level of protection
24 at the SeeCubic level, meaning if there was a default on the
25 underlying notes or the notes between SeeCubic and Hawk, Hawk

1 would have the right to basically step in and be out back in
2 position as the first lien, you know, priority secured Creditor
3 with pledge rights and everything else.

4 And so that's what Hawk -- what SeeCubic gave to Hawk
5 in exchange for Hawk contributing the notes, among other
6 things, was the right to be what is called the collateral
7 agent. And that is to exercise all of SeeCubic's rights under
8 those 18 notes that I referred to a minute ago.

9 THE COURT: Okay. So let's see if I understand it.
10 Hawk and maybe SLS contributed whatever security for all of
11 their claims against the Stream family into SeeCubic. And in
12 exchange for that, SeeCubic also gave notes or however it was
13 documented where there was a default -- and I don't know who
14 the default would be by, because you didn't tell me that.
15 There was a default, then all the rights would then actually --
16 I'm going to use the word revest. That might not be the proper
17 terminology. But they would go back, revest back in Hawk,
18 correct?

19 MR. CAPONI: Yes. At a high level, Your Honor. And
20 the default was if the omnibus agreement was not fully
21 implemented or invalidated, that triggered a default. So when
22 the Supreme Court -- there was a definitive default when the
23 Supreme Court invalidated the omnibus agreement. That then
24 triggered Hawk's rights as collateral agent.

25 THE COURT: And it went back to -- I'm going to say

1 it went back. So now, because that agreement is now no longer
2 effective, all of the rights that Hawk had originally rest with
3 Hawk as the collateral agent, correct?

4 MR. CAPONI: Correct. Yes, that's -- I think that's
5 correct.

6 THE COURT: So what rights if any does SeeCubic have
7 at this point?

8 MR. CAPONI: Well, the rights that Hawk is
9 exercising, those rights still belong to SeeCubic. We are --
10 Hawk is just exercising them as the collateral agent. So under
11 the agreement, Hawk can enforce the notes, the 18 notes, in its
12 own name or it can enforce them in the name of SeeCubic. This
13 was litigated --

14 THE COURT: And -- right. And they can be enforced
15 against the entire -- I'm going to say Stream family. Or
16 whatever collateral was pledged, correct?

17 MR. CAPONI: Correct.

18 THE COURT: Okay. And that hasn't happened yet.

19 MR. CAPONI: Well, it started, Your Honor, when,
20 after the Supreme Court decision, all the various notices to
21 exercise the pledge rights, to marshal -- there's an obligation
22 where all they need to do is issue a marshalling directive to
23 have all the assets put in one location. And that was
24 exercised. And so it became sort of a jump ball at that point.

25 We exercised our secured Creditor rights to take

1 possession of the collateral. The collateral always remained
2 at SeeCubic, B.V. That has always been the operating entity.
3 So it didn't matter when Stream had the "assets" or when
4 SeeCubic, Inc., got the assets, everyone kept SeeCubic, B.V. in
5 place. And that was the operating entity.

6 So from my perspective, when we issued -- my client
7 issued the marshalling directives and the pledge rights under
8 its secured agreements, it took possession of those assets.
9 Title, it had not taken possession of because it had not
10 completed an Article 9 sale. But as far as possession, 9/10ths
11 of the law possession, those assets, including the bonding
12 equipment, belonged to the secured Creditors. I know the
13 Debtor disagrees with that, but that's our position.

14 THE COURT: Okay. So your position is that title was
15 with SeeCubic, B.V., and that the secured Creditor had
16 exercised his right of possession. Okay.

17 MR. CAPONI: Correct.

18 THE COURT: Okay. And so you then would be in the
19 same position as in Fulton County, where you -- you, meaning
20 SeeCubic through its collateral agent, Hawk -- had possession
21 pursuant to a secured Creditor's right. And therefore, you
22 don't have to turn it over because you had a right. You
23 basically were maintaining the status quo. Is that your
24 position?

25 MR. CAPONI: Your Honor, I think that's correct. But

1 again, I would defer to Mr. Mazza on that because I am not a
2 bankruptcy lawyer. He is. And I've never read that case and I
3 suspect he has. But from the argument I can follow, it sounds
4 correct.

5 MR. MAZZA: Yeah. Yeah. If I can interrupt. And
6 thank you, Mr. Caponi, for clarifying some of the record there
7 with respect to what happened in the Court of Chancery. And
8 yeah, I agree with that position, Your Honor.

9 THE COURT: Okay. Okay. So obviously, I'm going to
10 have to have an evidentiary hearing, because the Debtor's
11 position is you didn't do that, and that the Debtor is the
12 owner. And your position is you did exercise. And that would
13 go to issues relating to whether there was a violation of the
14 stay or not. Okay?

15 And also, that would go over to turnover actions,
16 because turnover actions relate to certain things. And that
17 would also affect whether there's a turnover action. But I
18 will say, counsel, that to the extent -- and there is a
19 distinction between, obviously, the various entities, the
20 non-Debtor various entities and the Debtor entities.

21 But I have to acknowledge and everybody has to
22 recognize that part of the Debtor's assets are its interests in
23 the companies who had interest. It's a holding company.
24 That's how it was described. And that the holding company's
25 interests, however they may flow, those interests are property

1 of the estate. And to the extent they're property of the
2 estate, they're related to -- and there may be some
3 consequences that, you know, the stay can apply to.

4 Yes, they're not in bankruptcy. But there are often
5 third party beneficiaries -- I'm going to use third party, but
6 that may not even be the correct -- but in my mind, that's how
7 they work -- that there are related parties that may get to
8 have the benefit of that because they serve to the benefit of
9 the Debtor who is in bankruptcy.

10 So I'm hearing two different things. One is that
11 this is not the Debtor's property. This is actually property
12 of an entity that the Debtor, through one of its subsidiaries
13 or part of its family, holds title to. That's a different
14 issue than if the Debtor actually owns it and it belongs to the
15 Debtor directly. Those are all different things that I have to
16 consider in both whether there's a violation of the stay or
17 whether there is a turnover, whether turnover is appropriate.

18 Okay. I get that. And I'm sorry, because counsel, I
19 started -- I didn't ask any questions to Debtor's counsel
20 because I didn't have any conflict. So I don't want you to
21 think that I'm just questioning you and didn't question him.
22 But I only had one side. And now that I have a different side,
23 I'm trying to parse through the difference. Okay?

24 I'm sorry, counsel. Where did I -- I think I
25 interrupted you when I started asking, well, wait a minute, who

1 owns this stuff? You can continue with your argument, Mr.
2 Mazza. I apologize. Go ahead.

3 MR. MAZZA: No apology needed, Your Honor.
4 Appreciate the colloquy and Mr. Caponi helping clarify some of
5 the issues. Hopefully, that was helpful. So I think we're --

6 THE COURT: It was very helpful.

7 MR. MAZZA: Where we're going next is that on Fulton,
8 I understand what Your Honor is saying with respect to what the
9 Supreme Court had to say there. I think it's important in the
10 context here to understand really, I think, how the court
11 looked at why it came out, you know, the way it did as there
12 not being a stay violation in that case.

13 And that putting aside who is rightfully or not
14 rightfully possessing the property, the bottom line is if
15 somebody has property and a secured creditor has interest in
16 it, what needs to happen to the secured creditor one way or the
17 other is that it needs to get adequate protection.

18 And where I was going, Your Honor, is that we did try
19 to engage in a dialog on that discussion, based on pretty
20 simple requirements to address adequate protection, just to try
21 to reach a resolution that would be acceptable amongst the
22 parties and clearly cut against any allegation that there's
23 some kind of willful violation of the automatic stay.

24 But when counsel to Debtor can't provide us with any
25 proof of insurance, any sort of details about what they intend

1 to do to the property, that's pretty telling in our view as to
2 the gamesmanship that's going on here. And so I think that if
3 Your Honor is thinking of any kind of interim relief at any
4 point in time here, that those are going to be important
5 requirements to include with anything that might be decided to
6 relate to the bonding equipment. And so I really would
7 emphasize that as part of the overall package of what we're
8 looking at here.

9 And moving on from the bonding equipment, there's a
10 few things that I'll get to around sort of this urgency the
11 Debtors have tried to create around this with purchase orders
12 and the like. And again, I know this isn't an evidentiary
13 hearing, but there's been the appearance of this entity called
14 Visual Semiconductor, Inc., which we've laid out in our papers.

15 And this entity, apparently, is a party to these
16 pressing purchase orders that the Debtors are --

17 THE COURT: What's the name again, counsel?

18 MR. MAZZA: Yeah. The name --

19 THE COURT: Visual what?

20 MR. MAZZA: Semiconductor, Inc. It's VSI, is the
21 acronym.

22 THE COURT: Okay.

23 MR. MAZZA: And so --

24 THE COURT: Yeah. Okay.

25 MR. MAZZA: So this entity --

1 THE COURT: Okay. I've heard that.

2 MR. MAZZA: -- it is --

3 THE COURT: I note VSI. Okay. You believe this
4 entity is what?

5 MR. MAZZA: Not to be confused with VTI, which was an
6 entity from a previous bankruptcy case that was involved in
7 running the same kind of "cherry-picking" exercise. And in the
8 previous bankruptcy, when Judge Owens became wise to what was
9 going on there, she did bar Stream from filing for bankruptcy
10 for a year.

11 And I know they're going to try and they have been
12 trying to distinguish things this time because of vindication
13 from the Delaware Supreme Court on a decision nine months ago
14 on the omnibus agreement. But again, that's just not the full
15 record. They didn't file for bankruptcy when that decision
16 came down.

17 No, they fought tooth and nail in litigation in the
18 Court of Chancery for nine months to evade secured Creditors
19 and their exercise of remedies that Mr. Caponi artfully went
20 through as to what was happening. And when the shoe was about
21 to drop, they filed again. And that's why we're here before
22 Your Honor.

23 And I would say that, you know, this alter ego, VSI,
24 which is owned and operated by, our understanding is, the
25 principal of the Debtors, Mr. Rajan. And they've put in a

1 purchase order, again, that needs to be urgently performed on
2 that involves the production of 100,000 units on behalf of this
3 entity. So Stream is obligated outside of this court approval
4 process for production of a really outlandish amount of units
5 of these particular items.

6 And so we have serious questions as to what's going
7 on with that and if that was manufactured in order to try to
8 establish that there's something going on with Creditors and
9 trying to manufacture some claims as they relate to this
10 alleged automatic stay violation, which again, we don't think
11 stands up as a matter of law.

12 THE COURT: Counsel, I'm not sure how -- you believe
13 that -- okay. So this VSI is party to these purchase
14 agreements. And you believe that they're not real and that
15 they're only to support claims for violation of the stay with
16 respect to the bonding?

17 MR. MAZZA: Well, they've certainly created a sense
18 of urgency around things that they want to perform on these
19 particular orders in emergency fashion. And the kind of
20 numbers that are in the orders are just not -- they're just not
21 achievable in any sort of reality whatsoever.

22 So we have some serious doubts about it. And we've
23 been in contact with, you know, engineers regarding the same.
24 And they've never heard of the kind of production that these
25 really bare bones purchase orders are indicating the Debtor

1 would try to satisfy here.

2 So it's a real headscratcher, Your Honor. And I was
3 just putting it out there that it does bear this uncanny
4 resemblance to what they attempted to do in the first -- one of
5 the first bankruptcy cases that was duly dismissed for bad
6 faith by Judge Owens.

7 So if they're running the same scheme, which
8 apparently, they may very well be doing here, because as we
9 laid out in our papers, there are communications that are also
10 been going around about the plan to scuttle the equity interest
11 in Stream and move that all over to VIS, that again, raises
12 serious doubts about it and we've been in contact with, you
13 know, engineers regarding the same. They've never heard of the
14 kind of -- kind of production that these really bare bones
15 purchase orders are indicating the Debtor would -- the Debtor
16 would try to satisfy here.

17 So it's a real head scratcher, Your Honor.

18 THE COURT: Uh-huh.

19 MR. MAZZA: And I just put it out there that it does
20 bare this uncanny resemblance to what they attempted to do in
21 the first -- one of the first bankruptcy cases that was duly
22 dismissed for bad faith by Judge Owen. So if they're running
23 the same scheme, which apparently they may very well be doing
24 here.

25 Because as we laid out in our papers, there are

1 communications that are also -- been going around about the
2 plan to scuttle the equity interest in Stream and move that all
3 over to VSI. That again, raises serious questions as to -- as
4 to the good faith here.

5 And if there wasn't the track record that is already
6 part of previous bankruptcy cases, maybe we might not have
7 questions. But this is almost too coincidental, Your Honor,
8 for us to not be asking serious questions that go to, really, I
9 think Hawk's motion that's also on the docket today.

10 I think turning attention to really corporate
11 authority, and I think Your Honor focused on the right issues
12 that we laid out in our papers about who's a debtor and who's
13 not a debtor and whose interest is protected or not.

14 I think though one important point that is also in
15 Hawk's motion is that when the Technovative entity, the Debtor
16 entity was filed, there was no corporate authority for Mr.
17 Rajan to actually initiate a filing for that particular entity.
18 That corporate authority was vested in the receiver under
19 Delaware corporate law. And so while we can't control what the
20 receiver does, Mr. Rajan can't step in and just exercise
21 corporate authority that did not exist. He was -- he was not
22 the board. The board was the receiver.

23 And so that is -- that filing was clearly alterverus
24 (phonetic), and so there's no -- there's been no authority to
25 file that entity. And you know, that flows down through the

1 structure, but again, doesn't really change the answer as it
2 relates to the Dutch entities. Because as we went through
3 those entities, none of which are debtors, they don't have the
4 automatic stay apply to them. That's clear under the law and
5 how 362 is written, Your Honor.

6 If they had authority to file, and they didn't have
7 authority to file Technovative, as I just said, then use the
8 automatic stay if you want to put the foreign entities in the
9 bankruptcy and then you can use the stay. But you can't -- you
10 can't use the stay when it doesn't apply.

11 Now is there a procedure, Your Honor, to extend the
12 stay to non-debtors? Yes, there is. Is that procedure pretty
13 hard to be able to satisfy? Of course it is. It's exceptional
14 circumstances that need to be established to do so. And while
15 the circumstances are indeed exceptional here, they're
16 exceptional for all the wrong reasons and don't support
17 extension of the stay to what Mr. Rajan is trying to accomplish
18 over in the Netherlands by trying to install himself as the
19 director in that entity.

20 And it's a dispute that is a dispute of Dutch
21 corporate law that would be decided under the principals of
22 Dutch law. So there's no impact on the Debtors. Mr. Rajan is
23 not a debtor and these are -- this is property outside the
24 estate.

25 Because if you follow corporate form, which I know

1 these debtors don't have a tendency to want to follow. But
2 there is a reason why corporate formalities and corporate form
3 is followed that would apply here such that these entities
4 should not -- not be -- this shouldn't be any kind of violation
5 of the stay that's trumped up here. Again, it's all -- it's
6 all in the auspices of trying to have their cake and eat it too
7 such that they don't -- they can go -- go down to non-debtors.
8 Demand assets be returned to them and then not report back to
9 this Court because they're not operating under any supervision
10 by this Court.

11 And that falls into the idea that these cases really
12 deserve to have a trustee appointed, whether that's a Chapter 7
13 trustee or a Chapter 11 trustee, or just be dismissed outright
14 because of the acts that have been taken here. But again,
15 that's part and parcel of what the separate motion is.

16 But to take all of that into context and to say that
17 this amounts to violations of the automatic stay, Your Honor,
18 is just not a proper use of the automatic stay. It's a
19 weaponization of it. We've tried to come to the table to
20 figure things out. They've decided they just want to litigate.

21 So if they want to litigate, that's fine. But they
22 have to go to -- they have to come to Your Honor with more than
23 emergency motions.

24 Third Circuit law requires them to file an adversary
25 proceeding for turnover. We still have not seen that. They

1 want to go through that, that's fine.

2 We had a long colloquy with Your Honor about
3 complicated issues, about the property, and what interest
4 parties have in it. There's a legitimate dispute. They're
5 trying to say, well, this is all willful violation of the
6 automatic stay. That's just not how it works, Your Honor.
7 They've got to go through the proper procedure if it's indeed
8 their property, if it's something that they're entitled to and
9 creditors are not left out in a lurch, unprotected by a group
10 here that their past conduct should certainly be taken into
11 account in any decision that Your Honor is inclined to make one
12 way or the other.

13 So with that, Your Honor, I think that covers the
14 points that I wanted to make, unless you have any other
15 specific questions for me. I'm happy to cede the podium or
16 telephonic podium over to whoever else -- I think maybe Mr.
17 Caponi might have something to add. But that's my presentation
18 for the moment.

19 THE COURT: Okay. I've got -- you've answered all my
20 questions. I may be a little more confused than when I
21 started, but all right. I may have a better understanding, but
22 I don't have any questions at the moment.

23 MR. MAZZA: Thank you, Your Honor.

24 THE COURT: Okay. And so is there anyone else -- I
25 think the only opposition that was filed was by SeeCubic for

1 the joinder. I think that was a -- was that a joinder from
2 Hawk's right? Or am I confusing the motions?

3 MR. CAPONI: I think that's correct, Your Honor.

4 THE COURT: Okay. And --

5 MR. MAZZA: And Your Honor, just -- I'm sorry to
6 interrupt.

7 THE COURT: No, go ahead.

8 MR. MAZZA: Mr. Mazza. And we did -- the fact that
9 you mentioned a joinder. Hawk did join in our opposition. We
10 did join in Hawk's motion as well in our opposition, not to
11 make it more confusing than it already is. But just wanted to
12 make it clear.

13 THE COURT: No, I know there were -- right. I saw
14 those joinders. Does anybody -- is there anything else that
15 Hawk thinks that I need -- and I'm saying Hawk. I don't know
16 if it's in its capacity for itself or it's the collateral
17 SeeCubic, whatever. Does Hawk have anything else other than
18 what I already heard with respect to the ownership of the
19 bonding and who has what with respect to why this is not a
20 violation of the stay?

21 MR. CAPONI: Yes, Your Honor. The only other thing I
22 would add, Your Honor, is --

23 THE COURT: Who's here? How's speaking?

24 MR. CAPONI: This is Steve Caponi, Your Honor. I
25 apologize.

1 The only other thing that I would add is again, we
2 took discovery in the underlying 225 action, you know, which
3 ended about a week or two before the filing. So the
4 information we have is fairly current.

5 The -- Mr. Rajan testified, I took his deposition and
6 the records bore this out, and they submitted some affidavits
7 to the Court that Stream had no operations since at least 2020.
8 Mr. Rajan testified that, again, because it was a holding
9 company. Not only did it not have any operations, it had no
10 bank accounts. He submitted an affidavit and he testified at
11 his deposition that starting in 2020, Stream has had no bank
12 accounts, and it had no bank accounts as to his deposition
13 about a week or two before this case -- this Chapter was filed.

14 So the notion that this was a company that has --
15 sorry, not only they had no bank accounts, Your Honor. Had no
16 bank accounts, had no employees, had no payroll, had no
17 nothing.

18 The notion that it is on the cusp of fulfilling
19 orders for hundreds of thousands of units worth hundreds of
20 millions of dollars is a farce. It just is. I mean, I could
21 be more polite about it. But it's the same story you've heard
22 over and over, and they said the same thing in the Court of
23 Chancery. And when you ask for a purchase order, what you get
24 is a redacted document through VSI and that's what they've done
25 here.

1 So they won't tell the Court allegedly who this
2 purchase orders from because it doesn't exist. And even if a
3 purchase order existed, it was given at an entity that has no
4 operations and no bank accounts.

5 There's been no activity in this case. No first day
6 motions. No -- and if you start with the proposition Stream
7 had no operating business, anything it does is outside the
8 ordinary course.

9 So entering into a distributorship agreement, for
10 lack of a better term, that was disclosed last night for the
11 first time in Mr. Rajan's affidavit, how that occurred without
12 Court approval or notice is an anathema to me. How they could
13 be entering into purchase orders when they had not entered into
14 a purchase order with anybody for at least the prior three
15 years. To do so without the Court approval, again, seems to be
16 a pretty blatant violation of the rule.

17 So I just say when we talk about the equipment and
18 who owns what, if you don't have a bank account for three years
19 and you don't have any assets for three years, it's kind of
20 hard to take the argument with a straight face that they're the
21 direct owners of this bonding equipment or anything else for
22 that matter. And that's the last thing I'll say, Your Honor.

23 THE COURT: Counsel, you said that Mr. Rajan had
24 testified that he had no operations since when?

25 MR. CAPONI: 2020, Your Honor. When the Court of

1 Chancery --

2 THE COURT: Okay.

3 MR. CAPONI: -- moved the assets over to SeeCubic,
4 Mr. Rajan testified that Stream ceased all operations, had no
5 employees, what employees existed went to other entities, and
6 he was -- and there were no bank accounts.

7 Because one of the things in the 225 action, the pur
8 -- not one of the things, the thing. Was did Stream convert
9 the debt to equity and in order to do that it needed to
10 demonstrate that it raised money, so we asked for the bank
11 accounts. All right. Give us your Stream bank accounts. And
12 Mr. Rajan told the Court in an affidavit and me in a deposition
13 that once the assets were moved over into SeeCubic, Stream shut
14 down all of its bank accounts and in that day in, I think, the
15 middle of 2020, has never had a bank account.

16 THE COURT: Well, counsel, I'm not quite sure that
17 means anything. All the assets were turned over to SeeCubic,
18 of course they had no assets. What are they going to have?
19 I'm not quite sure that means anything from my perspective,
20 because if you took all their assets, what do they have left?

21 MR. CAPONI: Your Honor --

22 THE COURT: I mean, that's a whole different issue.
23 I'm just saying, I'm not sure what you think it will -- what
24 that means here. I don't know.

25 MR. CAPONI: If I --

1 THE COURT: I mean, it may not mean anything. I'm
2 sorry, go ahead.

3 MR. CAPONI: Yeah, sure. Your Honor, I just want to
4 elaborate. I'm not sure how -- that it checks a legal box.
5 The Debtors are relying very heavily on this notion that we
6 have this -- you know, we have these purchase orders, et
7 cetera. And they're trying to portray -- no, don't try.
8 They're telling Your Honor this case was filed so that Stream
9 could reorganize and get back in production.

10 And my only point in raising it is, there was nothing
11 to reorganize because the assets never got returned. So Stream
12 lost its assets three years ago. Lost its bank account. Lost
13 its employees. Never regained them. It may hope to get them
14 back in the future.

15 But the notion they can go from a zero asset, zero
16 bank account entity to stand in front of Your Honor today and
17 say they're on the cusp of fulfilling a \$100 million order? I
18 would just note for Your Honor, this company never turned a
19 dime in revenue or profit. Its entire lifecycle lived off of
20 debt.

21 And we would love to see them to have this purchase
22 order. We would love to see \$100 million come in, but they
23 make the same promise over and over.

24 And I'm only just pointing out, Your Honor, you have
25 to learn how to walk before you can, you know, crawl before you

1 can walk and walk before you can run. The testimony is on the
2 eve of this bankruptcy, this was an infant in the cradle at
3 best. So the notion that they can now run a marathon if you
4 just give them bonding equipment is a fallacy. That was my
5 point in raising it.

6 THE COURT: Right. But counsel, you also have to --
7 also admit that on the cusp of bankruptcy, they didn't have any
8 assets. They had all gone to SeeCubic. So how could they
9 crawl, walk, or do anything if they didn't have their assets?

10 So from my perspective is once they got it at the --
11 at least on the eve of bankruptcy, a portion had been returned,
12 perhaps not to them but to their subsidiary because that
13 agreement was undone. So we're talking about a different
14 point, different company in terms of what I would be looking
15 at.

16 Clearly, if they didn't have their assets, they
17 weren't doing anything. But once they were returned, they
18 weren't the same company in terms of what they were, a company
19 with mounts something being returned as to a company where
20 everything -- all assets had been taken. I can't look at that
21 and say, well, they're trying to run now. I don't know what
22 they're trying to -- maybe they are trying to rub because even
23 though the assets were returned, they may still be crawling. I
24 don't know.

25 But I'm just saying it just doesn't mean what you

1 think it might mean to this Court, the fact that they didn't
2 have anything because they had been foreclosed upon, so that's
3 the only point I'm making.

4 MR. CAPONI: Your Honor, if I could just clarify one
5 point, Your Honor, the assets have never been returned. The
6 assets all -- the operating assets all were at the Technovative
7 level or below. And those assets never went back -- they went
8 from SeeCubic, Inc to the receiver and they were held by the
9 receiver prior to the bankruptcy.

10 So those assets -- Stream came into the bankruptcy an
11 assetless company with the hope of getting its assets back.
12 That's just my only clarification.

13 THE COURT: Well, wait a minute --

14 MR. CAPONI: Your other points are well taken.

15 THE COURT: Wait a minute. My point is that when the
16 -- and maybe I'm misunderstanding. When they Delaware Supreme
17 Court undid whatever it undid, who then had titles to whatever
18 these assets -- I know they weren't in your position. If they
19 weren't owned by Stream. It was going to be Technovative or
20 one of the other companies. And the receiver was only for
21 Technovative. Technovative.

22 So when that was undone, undone meaning SeeCubic
23 couldn't -- didn't have -- couldn't have taken these assets,
24 that they went back to Technovative, right. And at the time,
25 immediately prior to bankruptcy, those assets were in control

1 by the receiver. And once the bankruptcy was filed, they were
2 no longer controlled by the receiver, but now controlled by
3 Technovative. That's my -- how I look at this.

4 MR. CAPONI: Your Honor, you are correct, the way --
5 so you are correct that the assets -- the title -- as a result
6 of the supreme court decision, title to the assets always
7 resided with the non -- the predecessor to SeeCubic, and then
8 the Court of Chancery was tasked with physical possession going
9 back in an orderly fashion.

10 That physical possession going back is what I was
11 referring to, never occurred. It went -- they stayed at the
12 entity levels and the receiver took possession of Technovative
13 and everything -- and everything below Technovative by virtue
14 of Technovative -- everything being wholly owned.

15 So yes, Your Honor is correct that as of the -- the
16 day -- the minute before the bankruptcy filing, Stream had no
17 assets. As a result of the bankruptcy filing, the receiver is
18 out of the way and you could argue that Stream has, you know,
19 assets again.

20 THE COURT: So Stream doesn't have anything,
21 Technovative has it. All that Stream has is its interest in
22 Technovative.

23 MR. CAPONI: Correct.

24 THE COURT: The assets, whatever they are that the
25 trust -- that the receiver was in charge of remain with the

1 receiver. And now, once the receiver is no longer in place,
2 then they belong to whoever. In this case it would be either
3 -- you were saying SeeCubic, B.V. with the receiver was in
4 control over is no longer in control and the receiver's no
5 longer in control, then whoever was in control before the
6 receiver was appointed remains in control.

7 MR. CAPONI: Yeah, so now -- yes.

8 THE COURT: And you guys want to challenge that in
9 the Netherlands, which is a whole different issue because I
10 have to find out what in counsel you acknowledge that you can
11 in fact defend the stay of third parties -- I'm going to call
12 them third parties to the extent that it's an extraordinary
13 relief, but it has been done. I'm not saying that I would do
14 that.

15 But I have -- counsel, I think I've told you that and
16 this is my apologizing. I had a couple emergency -- I have
17 some emergencies. I'm going to try to see if someone else can
18 take care of my 3 o'clock responsibility. I've got about -- is
19 that 2:58? I've got about seven minutes to get someone.

20 I'm going to put everybody on hold. Do not hang up.
21 And I will see if I can get someone to cover for me and then we
22 can just continue without any interruption, okay. Hold on one
23 second.

24 MR. CAPONI: Thank you, Your Honor.

25 THE COURT: All right. Now, how do I do this?

1 Okay. Counsel, we can continue. I think where we
2 left was Mr. Mazza was -- or maybe it was Mr. Caponi was
3 discussing their position with respect to the custom of the
4 deposition testimony of Mr. Rajan and what that meant with
5 respect to the alleged violation of the stay, and what assets,
6 and actually some other points that Mr. Caponi was trying to
7 make.

8 Is there anything else that we need with respect to
9 the parties in opposition to the motion for relief from stay?
10 Anybody else?

11 MR. DEMARCO: Yes, Your Honor. This is Andrew
12 Demarco from Devlin Law Firm regarding Rembrandt 3D. We filed
13 an objection in this matter, this was DI 103. We have concerns
14 regarding our license to our intellectual property among the
15 creditors. We also seek --

16 THE COURT: Wait a minute. Wait a minute. Wait a
17 minute, counsel.

18 MR. DEMARCO: Absolutely.

19 THE COURT: You filed an objection -- you filed an
20 objection to the motion for relief you're saying? I mean, the
21 motion for violation -- alleged violation of the stay?

22 MR. DEMARCO: We -- it is -- Rembrandt's position is
23 we do not wish any relief of the stay.

24 THE COURT: Okay. Wait a minute. You filed a -- you
25 filed -- where's your filing at, counsel?

1 MR. DEMARCO: It is docket entry 103, Your Honor.

2 THE COURT: Oh, so yours was an objection to the
3 motion to dismiss.

4 MR. DEMARCO: I apologize, Your Honor.

5 THE COURT: That's okay. I see it. I see it. So
6 right now, we're just looking at the motion for alleged
7 violation of the stay, but we'll get to the other stuff. I'm
8 just trying to keep --

9 MR. DEMARCO: I apologize.

10 THE COURT: That's all right, counsel, because other
11 counsel actually sort of talked about it already, so that's no
12 -- not -- I get it, because they did kind -- two counsel did --
13 did discuss briefly the motion to dismiss in connection with
14 the motion for a finding of a violation. So I'll get to that.

15 MR. DEMARCO: Absolutely.

16 THE COURT: I just want to try to wrap up that.

17 MR. DEMARCO: That's okay, Your Honor. I'm happy to
18 sit back -- I'm happy to sit back and wait.

19 THE COURT: All right. Thank you, counsel.

20 Okay. So are there any other oppositions, anyone who
21 wishes to set forth their opposition to the Debtor's request
22 for a finding that there is -- there was a violation of the
23 stay and that there is a need for turnover and for -- and they
24 were also asking for sanctions, I guess. All right. Anybody
25 else?

1 All right. Hearing no response, I'm going to let --
2 is there a brief response -- brief, counsel, from debtors with
3 respect to -- I really need some clarification on this
4 ownership issue of this bonding equipment.

5 MR. ALEXANDER: Thank you, Your Honor. Vincent
6 Alexander on behalf of the Debtor. Can you hear me fine, Your
7 Honor?

8 THE COURT: Yes, I can.

9 MR. ALEXANDER: Okay. I just wanted to clarify a
10 couple points and it relates to the ownership of the bonding
11 equipment.

12 First, we attached to our motion the actual purchase
13 contract which shows that the purchase was in the name of
14 Stream. So Stream is the entity that purchased the equipment.
15 There have been no --

16 THE COURT: Okay. Wait a minute, counsel. Wait a
17 minute. Where is that at? You said you guys filed a motion,
18 then you filed your supplemental motion. Is it in the original
19 -- attachment to your original motion?

20 MR. ALEXANDER: Yes, Your Honor.

21 THE COURT: Okay.

22 MR. ALEXANDER: That docket entry 49-1.

23 THE COURT: Yeah, okay. 49-1. Exhibit 1. Okay.
24 Purchase agreement. Okay. The sales agreement between Stream
25 TV and I'm not even going to try to pronounce this name.

1 MR. ALEXANDER: Your Honor --

2 COURT REPORTER: This is the Court Recorder. The
3 Judge got disconnected briefly. She'll be back in a moment.

4 THE COURT: Counsel, I'm back. I guess I have to
5 have two disconnects before the phone will continue. We're
6 going to follow a pattern here. I have no clue what that's all
7 about.

8 So there's a sales agreement between Stream and the
9 seller which is in Nagano, Japan. I don't even know if I'm
10 pronouncing it correct, for delivery in China from what I can
11 gather. And that, counsel, you believe is the stay of
12 agreement for this bonding equipment?

13 MR. ALEXANDER: That's correct, Your Honor. And the
14 purchaser of the equipment was Stream TV Networks, Inc, who is
15 the Debtor in this bankruptcy case.

16 THE COURT: Well, there's a little dispute because
17 the -- the -- SeeCubic says that it was actually owned by
18 SeeCubic, B.V. I don't know if there's some other documents
19 after this, but I know --

20 MR. ALEXANDER: They don't have any --

21 THE COURT: What, counsel?

22 MR. ALEXANDER: They don't have any documents
23 demonstrating -- they don't have any documents demonstrating
24 that, Your Honor. There are no documents demonstrating the
25 transfer that they had from Stream TV Networks to SeeCubic B.V.

1 That's not a disputed issue.

2 THE COURT: Well, they believe it's disputed. I
3 guess I have to figure out how --

4 MR. ALEXANDER: Well, you can believe a lot, but that
5 doesn't mean it's actually disputed. So that's one of the
6 things that they say a lot of things in terms of counsel for
7 Hawk and SeeCubic. But when you actually look at the
8 underlying facts, it just doesn't bear out.

9 And that also goes to the point of when you ask about
10 foreclosure and repossession, to be clear, there has been no
11 foreclosure completed by Hawk or SeeCubic with respect to any
12 assets of --

13 THE COURT: So counsel, they -- I think they
14 acknowledged that there's been no completed foreclosure.

15 MR. ALEXANDER: And there's --

16 THE COURT: I think what they said is that they sent
17 notices that under the terms of their documents that
18 constituted foreclosing. I'm assuming they did it under -- I'm
19 not going to assume anything. They believe they had security
20 interests and that they executed and foreclosed pursuant to
21 whatever those rights were as a secured creditor.

22 I was going to say I'm assuming they did use CC
23 remedies. But I don't know. I could be totally wrong. But
24 that's --

25 MR. ALEXANDER: But no, I understand. But they never

1 had possession of the, you know, at the time this happened,
2 they didn't have possession. And I think Mr. Caponi even said
3 they demanded the share certificates but they never received
4 them.

5 So they never had possession of the assets and they
6 certainly today don't have possession of the bonding equipment,
7 but they're interfering with the Debtor's interest in the
8 bonding equipment. It seems almost as if they're arguing on
9 behalf of SeeCubic B.V., but neither of them represent SeeCubic
10 B.V. with respect to the bonding equipment. That's a
11 subsidiary of the Debtor. So it seems a little disingenuous to
12 argue that somehow they have possession, you know, of the
13 equipment.

14 So it's not like how the supreme court case in which
15 they're citing. There's no paths of retention because there
16 was no -- A, there was no foreclosure process, there was no
17 repossession, and they're not actually in possession. But
18 they're interfering with the Debtor's possession and that's the
19 exact point, is that they're interfering with the Debtor's
20 possession of that bonding equipment, which is integral to the
21 reorganization process.

22 And I know Your Honor picked up on the fact that
23 there were no operations while they didn't have the assets, so
24 I'm not going to discuss that. But prior to that point, they
25 did have contracts and they did have revenue with companies

1 like Bosh and Google. So you know, there were instances when
2 they did sell 5,000 units, and so it's not as if this entity
3 never sold. I mean, it has product it did ship out and it
4 wants to get back to that, but it needs possession of its
5 assets in order to do so. So you know, this is not --

6 THE COURT: And when you say -- so who so counsel?
7 Which entity did this --

8 MR. ALEXANDER: Stream -- Stream TV Networks, Your
9 Honor, the Debtor.

10 THE COURT: Okay. Okay. So what I'm trying to
11 figure out is the bonding equipment is actually in possession
12 of a third party?

13 MR. ALEXANDER: That's correct.

14 MR. MAZZA: You're right, Your Honor. Correct.

15 THE COURT: So it's in possession of a third party
16 who is willing to turn it over under what conditions?

17 MR. ALEXANDER: The condition for turnover, Your
18 Honor, is that Patrick Soon (phonetic) at SeeCubic B.V., who is
19 the -- who leased the space. Apparently, he leased the space
20 once SeeCubic entities directed the transfer of the property
21 during the time in which the omnibus agreement was in effect,
22 for him to authorize it. And he's refused to authorize it
23 because Mr. Stastny on behalf of the secured entities has said
24 don't release it to them because it's not their property.

25 THE COURT: So who's property is it?

1 MR. ALEXANDER: It's the Debtor's property.

2 THE COURT: They sent a purchase agreement.

3 MR. ALEXANDER: Correct, Your Honor.

4 THE COURT: Okay. So basically a third party has it
5 and someone's told the third party -- and the third party is
6 basically to be indemnified and said you guys figure this out.
7 I'm not turning this over to that. If there's a problem, I'm
8 stuck with it. I get that.

9 And now if the lease by -- who was the original party
10 to the lease?

11 MR. ALEXANDER: Well, Your Honor, if you recall, the
12 length the omnibus agreement was in effect, SeeCubic took
13 control of the Debtor's assets, including the downstream
14 entities, which would include SeeCubic B.V. And once they took
15 control, they had SeeCubic B.V. enter into a contract with
16 entity which moved the equipment from the prior location that
17 it was being housed to this new location.

18 THE COURT: But under the terms of the -- that
19 agreement is not affective anymore.

20 MR. ALEXANDER: I understand, which is why the
21 Debtor --

22 THE COURT: How do you unwind this? So how do you un
23 -- so what was supposed to happen when this -- the assets were
24 given to -- I'm going to say given, because I'm not -- well,
25 transferred to SeeCubic. One the Delaware Court said this is

1 not effective because the Class B didn't sign, we have to
2 unwind. Because that's basically what they were saying, unwind
3 it, okay.

4 What did the parties -- what did unwind mean? Undo?
5 What do you think it meant?

6 MR. ALEXANDER: Well, Your Honor, SeeCubic B.V. was
7 not a party to that agreement, so the assets should have
8 gone --

9 THE COURT: I mean, not SeeCubic -- right.

10 MR. ALEXANDER: No, no. Understood. I'm talking
11 about the supreme court in that litigation, so.

12 THE COURT: Right. SeeCubic Inc.

13 MR. ALEXANDER: The supreme court --

14 THE COURT: Right, right.

15 MR. ALEXANDER: But the Supreme Court said the assets
16 are supposed to go back to Stream. It's clear that the omnibus
17 agreement was of no effect and that it should be unwound. And
18 then there's a Delaware Chancery Court order after that that
19 says the assets are supposed to go back to Stream. It says
20 Stream should be entitled to have its assets so that it has the
21 opportunity to repay its creditors. That is the -- they were
22 supposed to go back to Stream.

23 MR. MAZZA: Your Honor, if I may just interrupt for a
24 second. The -- there was an order entered by the chancery
25 court that said if Stream wanted to get back the bonding

1 equipment, it had to post a bond. So that was how the state of
2 play had been set up after the supreme court issued its opinion
3 last summer, invalidating the omnibus agreement.

4 As you can imagine, the chancery court -- there were
5 practical issues in unwinding -- unscrambling the egg. And so
6 it took, you know, quite some time to figure out how to do
7 that. Mr. Caponi had explained that the stock was essentially
8 given back to Stream and Technovative so that they could have
9 control again. And then the judge -- chancellor put in place
10 an injunction for Hawk to be able to exercise its remedies for
11 ten days. And then when that expired, Hawk exercised its
12 remedies and that got the parties into this 225 action that was
13 near completion in the chancery court right before the filing
14 here.

15 So for counsel of the Debtor to say that this is all
16 supposed to be returned, the chancery court was dealing with
17 this all on remand and had a receiver in there to deal with all
18 the practical issues around it, who incidentally put a bonding
19 -- who recommended to the vice chancellor to put a bonding
20 order in place, which the vice chancellor thought was a good
21 idea, which would resemble any kind of adequate protection that
22 might happen in a bankruptcy court if this were to be turned
23 over. And so that's where we are.

24 THE COURT: Yes. And now we're in bankruptcy.
25 Receiver no longer in effect. What does that -- first of all,

1 in bankruptcy, you're going to have to have insurance. That's
2 just a given. You can't be in bankruptcy and not ensure the
3 assets of the estate.

4 Assuming that the bonding -- based on that purchase
5 agreement, and counsel, you're going to have to -- I haven't
6 seen anything from the other side to the contrary. Because you
7 said it was owned by SeeCubic B.V. The only document I've had
8 so far, and maybe you do have some and you're going to point
9 them out to me. The purchase agreement was with Stream. And so
10 if the purchase agreement was with Stream, I'm not quite sure
11 absent some record or document how ownership went to SeeCubic.
12 Okay? So as far as I am concerned unless you want to show me
13 something to the contrary. That would be assets of -- the lack
14 asset of the Debtor -- of Stream TV.

15 And so my question then becomes, okay. If it's the
16 property of the Debtor, then yes, if you executed on it and it
17 your properly executed then you don't have to turn it over as
18 to the turnover action. But if you didn't properly execute on
19 it, you may have two things you're facing. Yes, you may have a
20 turnover action, but if you haven't properly exercised control,
21 you're violating the stay.

22 So the fact that on their -- on the Supreme Court
23 decision a turnover action is required, that's if you are
24 lawfully -- and you didn't use the word lawfully in possession
25 but you were in possession and you were maintaining the status

1 quo, then obviously, you didn't violate the stay. But if
2 you're not in possession and you don't have a right to be in
3 possession, you're not maintaining the status quo. You're
4 violating the stay.

5 I don't know which one of it is. I don't, you know,
6 I see documents that say they own it. And you're saying that
7 even if they own it, we executed against it so we're properly
8 exercising control over it. But it's with a third party.

9 So my question is did you send something to the third
10 party saying we have control over this. This is ours. That's
11 really where this is going to go because it's no different if
12 something was with a bailiff that they have that you have to
13 send something to them saying, hey, this is mine. Don't give
14 it to anybody else. I don't know if you did or did not do
15 that.

16 And if you didn't do that, it seems to me on a high
17 level looking at this, you don't have a right to do anything
18 with this thing yet. And if you don't, whether they file a
19 turnover action or not, there's some issues about whether
20 that's a violation of the stay. I don't know. I don't know.
21 I don't have a record.

22 And I'm -- obviously we need an evidentiary record.
23 I'm not going to sit here and say, oh, I find it without a
24 record. But I'm just saying just from discussion with counsel,
25 logically for me, is that I see a purchase agreement and the

1 only evidence I have is this purchase agreement which is
2 between Stream and the seller from Japan who I'm not going to
3 try to pronounce, for the bonding equipment.

4 I don't have anything saying that it went to this --
5 now, maybe Stream sent it to SeeCubic B.V. I don't know how it
6 got to SeeCubic B.V. And what I'm hearing is that before
7 SeeCubic Inc took over, there was a lease between someone else
8 and a storage unit and it got transferred to a different one
9 under a lease that I don't know is valid or invalid or I don't
10 know what it means because SeeCubic Inc -- what is it, who
11 everything was transferred to, one says that omnibus agreement
12 was void or invalid, never had a right to do anything.

13 So you know, it gets a little complicated for me.
14 I'm trying to unwind what does the unwinding mean. And so
15 that's on a high level for me is what does that mean as an
16 initial -- initial matter.

17 I get the concern about insurance. That's a
18 requirement. So whether the chancery court ordered it, you
19 have to insure assets in bankruptcy. So that's nonnegotiable.

20 The other issue that I think I heard was, well we
21 want to know how they're moving equipment, who's working on it,
22 and all that other stuff. As a secured creditor, we have that
23 right to ask for that. That has nothing to do with whether you
24 exercised your rights. It has to do with whether the
25 collateral securing your loan is going to be protected. That

1 has nothing to do with this claims about violating a stay or
2 any of that stuff. That is just simple bankruptcy requirements
3 and issues. So even if you tell us to turn it -- to release it
4 to them, that they don't have to insure this. They should be
5 insuring it no matter where it is because it's an asset of the
6 estate, and so that's how I'm looking at this.

7 Counsel, is there anything that you have for me that
8 -- all I have is this purchase agreement that shows it was
9 owned by SeeCubic CV? I think that's who you said owned it?

10 MR. CAPONI: Yes, Your Honor. Steve Caponi again.
11 Do I have anything? No, that's what discovery is for. We
12 don't control -- we don't have access to the records of
13 SeeCubic B.V. other than --

14 THE COURT: Well, then on what basis then are you
15 asserting that they're the owner?

16 MR. CAPONI: Because during the course of the --

17 THE COURT: You're telling me -- okay.

18 MR. CAPONI: During the course of the 225 action and
19 the receivership, Your Honor, we had multiple discussions with
20 the receiver, and if you recall, there was a motion practice
21 over who should take possession of the equipment. And it was
22 all parties to the receiver who had access to the company and
23 the individuals, as well as Stream, all acknowledged that the
24 equipment belonged to SeeCubic B.V.

25 And that's why the court entered -- the Court of

1 Chancery entered a specific order after the receiver
2 recommended that it was appropriate for Stream to get access to
3 it if it complied with certain requirements, including posting
4 a -- I think it was a three or four-million-dollar bond, that
5 it got transferred.

6 So we litigated this issue. Stream never once said
7 this belongs to me. Everyone acknowledged it was in possession
8 of SeeCubic B.V. My client never controlled SeeCubic B.V.

9 THE COURT: In possession doesn't mean --

10 MR. CAPONI: Sorry, owned by.

11 THE COURT: Counsel, in the --

12 MR. CAPONI: Owned by, Your Honor.

13 THE COURT: Right.

14 MR. CAPONI: Owned by SeeCubic B.V.

15 THE COURT: Everybody acknowledged -- there's some
16 document that says we acknowledge that it's owned by SeeCubic
17 B.V. or it's in possession of SeeCubic B.V.? Two separate
18 issues.

19 MR. CAPONI: Owned, Your Honor, and again, this is
20 why, you know, an evidentiary hearing -- there are a lot of
21 complicated issues. There are very divergent views as to the
22 history. It's a long history. You're looking at a purchase
23 order from almost a decade ago. Two bankruptcies, you know, an
24 omnibus agreement, and multiple defaults of secured debt, you
25 know, and many years of operating this company, a lot has

1 changed.

2 Title of this as our understanding and my belief is
3 with SeeCubic B.V. We get some targeted discovery from
4 SeeCubic B.V. and the Debtors, we'll prove it at an evidentiary
5 hearing. And Your Honor will find out as between these two
6 parties whether there's a real purchase order or a fake order
7 or whether they're, you know, who owns this or who doesn't.

8 THE COURT: Well, you mean you think that -- you
9 believe that this -- that what's presented here is a fake
10 purchase order?

11 MR. CAPONI: The purchase order? Yeah, Your Honor.
12 We absolutely believe that there is no legitimate third party
13 that ordered \$100 and some million worth of TVs.

14 THE COURT: No, no, no, no. No, no, no, no, counsel.
15 I'm talking about this sales agreement.

16 MR. CAPONI: No, no, the sales agreement.

17 THE COURT: Yes.

18 MR. CAPONI: No, no, I'm not contesting the sales
19 agreement, but it's from 2015. A lot has transpired since then
20 and we don't -- we -- it is my understanding and I believe
21 Stream conceded this point, we were told this by the receiver
22 that -- exactly how or when or why, I don't have the answer
23 because it was never in dispute, that SeeCubic B.V. owns this
24 equipment. That's why SeeCubic B.V. has been paying for it and
25 paying the rent on it and renting the warehouse. No one

1 contested that. It wasn't until they filed this motion a
2 couple days ago that I've heard a different story. So I can't,
3 you know --

4 THE COURT: But counsel, you were also -- but my
5 concern also was that there was an original lease between
6 somebody and someone, and then that equipment -- maybe that's -
7 - maybe that's wrong, that the equipment was moved to a
8 different location under a different lease by SeeCubic B.V.,
9 right? Or was it SeeCubic Inc? Who has the current lease?

10 MR. CAPONI: It's -- well, so make sure I'm
11 understanding your question, Your Honor. The equipment is
12 owned. It is put in a warehouse and that space is leased. And
13 there was a -- SeeCubic B.V. had the original warehouse and I
14 believe a few months ago the owner of that warehouse was
15 converting the building or something, and SeeCubic B.V. leased
16 new space and moved the equipment into the new space.

17 THE COURT: Okay.

18 MR. CAPONI: So if you're referring to real property
19 lease, that was SeeCubic B.V.

20 THE COURT: SeeCubic B.V. is the party to the lease.
21 Okay. And the Debtor has an interest in -- the Debtor has an
22 interest -- at least Technovative has an interest in SeeCubic
23 B.V., right?

24 MR. CAPONI: Indirectly, yes.

25 THE COURT: What do you mean indirectly? Don't they

1 own the party that -- the general partner who owns the interest
2 in the Netherlands entity that owns SeeCubic, do they not own
3 the interest in all those things? So yes, they're not
4 directly, but they own the -- they're the -- 99 percent .9,
5 they're respectively the owners of the company who -- they're
6 the owners of the --

7 MR. CAPONI: Of course, Your Honor. I just meant to
8 insinuate --

9 THE COURT: Right.

10 MR. CAPONI: -- they were not the direct owner, but
11 there are some levels in between.

12 THE COURT: Right.

13 MR. CAPONI: I don't recall how many, but yes,
14 ownership wise, they eventually get there.

15 THE COURT: All right. So what I'm trying to
16 understand is Technovative owns through its ownership interest
17 or the ownership interest of the ownership interest is saying
18 that we -- that some -- that they directed someone to allow the
19 property to be returned to or released to Stream. And so what
20 they're saying is that our interest in this interest in this
21 interest, we -- is being interfered with and we have an
22 interest in that asset through these other parties, and that
23 someone's directing the -- someone's directing SeeCubic B.V.
24 not to release it to Stream. Isn't that sort of what I'm
25 hearing?

1 MR. CAPONI: So Your Honor, yeah. That's -- that is
2 what the Debtor's position is. My client, to be clear, Hawk,
3 is not instructing anybody to do or not do anything. We're
4 here because we were accused of hiding this equipment and we're
5 not and -- yeah. Go ahead, Your Honor. Sorry.

6 THE COURT: So why isn't somebody just finding --
7 what's the problem? Let's cut to the chase, why isn't it being
8 given to Stream?

9 Okay. I get the insurance issue. I get the
10 insurance. They have to insure it. As a secured creditor with
11 a security interest, you want something in addition, correct?

12 MR. CAPONI: Yes, we want adequate protection. Yes.

13 THE COURT: Okay. And adequate protection means that
14 you believe you have possession of it and because you have
15 possession, it shouldn't go back to them. But I don't get how
16 the secure creditor who doesn't have possession because it's
17 with a third party and you don't control SeeCubic B.V., how you
18 get to say anything. You can always ask for adequate
19 protection.

20 MR. CAPONI: Your Honor --

21 THE COURT: But I'm not quite sure how you get
22 through all of that.

23 MR. CAPONI: Yeah, I -- Your Honor, I think maybe --
24 maybe everyone got the cart before the horse on this one.

25 THE COURT: Yes, you did.

1 MR. CAPONI: Okay. Let me -- let me step back for a
2 second. SeeCubic B.V., as far as I'm -- my client Hawk and I
3 am concerned, SeeCubic B.V. -- why is SeeCubic B.V. not turning
4 anything over? SeeCubic B.V. is the operating entity where
5 these employees reside and this is where they get their
6 paychecks and this is their future. They absolutely detest Mr.
7 Rajan, and don't trust him. They've been burned by him. They --

8 THE COURT: What does that have to do with anything?
9 I mean --

10 MR. CAPONI: It has to do with your question. Why
11 are they not turning it over? And why are they taking steps in
12 there? Because they feel like their company's being fleeced by
13 this guy, not at my client's direction. They're human beings
14 with their own brains and they're in an entity. We're being
15 accused by the Debtor of orchestrating that.

16 What I'm saying is I'm not orchestrating it. You
17 asked me why they're doing it. I told you why they're doing
18 it. Whether there's legal color to do that, that's I guess for
19 the Netherlands court and this Court to concern. I can only
20 tell you as a secured creditor, I'm not telling them to do it.
21 I'm not violating any stay for a whole host of reasons. And if
22 at some point that entity is told to turn it over, we want that
23 turnover to be -- only occur after we're, you know, we have
24 adequate protection.

25 I'm only responding -- this is not a turn -- as Mr.

1 Mazza indicated, this is not a turnover motion. This isn't an
2 adversary proceeding where the Debtor --

3 THE COURT: Even if it is an -- even if it is or is
4 not an adversary, you're not in possession so I'm not quite
5 sure whether there's a motion, an adversary or whatever. Yes,
6 on the 7001 turnover or adversary matter. It doesn't matter
7 because you're not in possession.

8 MR. CAPONI: Your Honor, I don't know why we're here.
9 We're not in possession. I don't -- my client does not have
10 it. It's not sitting on the Debtor's assets, but the Debtor
11 filed a motion accusing my client of interfering with its
12 assets. So the Court's point --

13 THE COURT: Because they believe --

14 MR. CAPONI: You're right.

15 THE COURT: Yeah. That's because they believe --
16 whether you deny it or not, they believe that you are
17 orchestrating this.

18 MR. CAPONI: Your Honor --

19 THE COURT: That's how I'm seeing it. Now, I don't
20 know who is or isn't. You're saying you don't have -- your
21 client is not involved in this at all. This is solely at
22 SeeCubic's direction and then you mentioned some names. I
23 don't know who these people are, I mean, and nobody's -- I
24 heard Mr. Stastney? Who's he?

25 MR. CAPONI: Stastney. Mr. Stastney was the

1 individual who used to be at Stream and then ran SeeCubic, Inc.
2 And Your Honor, I've had -- I, my firm, has had zero
3 communication with the individuals at SeeCubic B.V. to ask them
4 why they are doing or not doing what they're doing and I guess
5 discovery will bear that out as well, but it's not at my
6 client's direction.

7 THE COURT: Okay. But Mr. Stastney, did -- was part
8 of SeeCubic Inc who everything was transferred to, correct?

9 MR. CAPONI: Correct. And I should also mention, he
10 is, I believe, a director -- he is the director of SeeCubic
11 B.V. as well. So I think one of the issues that the employees
12 of SeeCubic B.V. has is that Mathu Rajan proports to be the
13 director, but in the registry over there, which is the official
14 document, it's Mr. Stastney so they're questioning who they're
15 supposed to take direction from and I think that's the purpose
16 of the proceeding over there. But I'm not involved in it.
17 That's just my understanding.

18 THE COURT: And who filed the proceedings in the
19 Netherlands?

20 MR. CAPONI: I don't know if Mr. Mazza knows. I do
21 not know.

22 THE COURT: Well, who filed the --

23 MR. MAZZA: Yeah, this is Mr. Mazza. It is the -- it
24 was the law firm Brisbois who brought a summary proceeding in
25 connection with the --

1 THE COURT: On whose behalf? Who all --

2 MR. MAZZA: If you give me a --

3 THE COURT: Yeah, you go ahead and I'm going to --

4 I'm going to do something in a minute. We'll get to that.

5 MR. ALEXANDER: Your Honor, this is Vincent Alexander
6 on behalf of the Debtors. In terms of the lawsuit, I believe
7 what you're referencing is at docket entry 90-1.

8 COURT REPORTER: I think the Court dropped off for a
9 minute.

10 MR. ALEXANDER: Okay.

11 THE COURT: Hello? Counsel?

12 MR. ALEXANDER: Your Honor, this is Vincent
13 Alexander, counsel for the Debtors. The lawsuit, it's -- we
14 filed it. It's docket entry 90-1. And parties to that lawsuit
15 are Mr. Stastney, SOS Holdings 6, LLC, Hawk Investment Holdings
16 Limited, SeeCubic, Inc, and then some of the Stream
17 subsidiaries that are directly and indirectly controlled by the
18 Debtors.

19 So for counsel to sit here and say that their clients
20 aren't involved, it just doesn't bear out by the document that
21 they actually filed.

22 MR. MAZZA: Your Honor, it -- Jim Mazza, here. So
23 just to be more precise, the Dutch entities that their party
24 would be the Alterate Coopertif (phonetic), if you have the
25 chart handy, Stream TV International B.V., and SeeCubic B.V.

1 So all are non-debtor entities. Just the --

2 THE COURT: Counsel, I didn't ask if they were
3 debtors. I asked who -- because counsel said we aren't
4 involved in that. We don't know anything. This is Mr.
5 Stastney and SeeCubic B.V. filing in the Netherlands. And now
6 I'm hearing that it's more than that. So of your clients all
7 so whoever involved in the litigation in the Netherlands? Yes
8 or no?

9 MR. CAPONI: Your Honor, this is Steve Caponi again.
10 I will take counsel's word. It was not my understanding that
11 Hawk was involved in the Netherlands litigation. I thought it
12 was actually filed by the employees, but again, I'm not
13 involved in it. My client had no involvement in telling them
14 not to turn over the equipment. If it was named as a defendant
15 in a proceeding, news to me, but okay.

16 THE COURT: You didn't say this -- counsel, are they
17 defendants? Plaintiffs? I mean, if they're defendants,
18 they're defendants. I asked who brought it. What is this at?

19 MR. MAZZA: I think that --

20 MR. ALEXANDER: Your Honor, they're plaintiffs. It's
21 documented in 90-1.

22 THE COURT: You know what? Where's the -- where's
23 the document. Just point me to the document.

24 MR. ALEXANDER: 90-1.

25 THE COURT: 90 -- oh, that's the Exhibit --

1 translated. Is that what we're talking about?

2 MR. ALEXANDER: That's correct, Your Honor. And
3 that's the matter that they're trying to set for hearing -- or
4 is set for hearing on the 20th. And if you look on the first
5 page, with regards to plaintiffs, if you look at 4 through 7,
6 SeeCubic Inc is in 4, Hawk is in 5, SLS is in 6, and Mr.
7 Stastney, individual is in 7, and they're all the plaintiffs.

8 MR. CAPONI: I stand corrected.

9 THE COURT: Okay, so the -- yeah, I mean, so --

10 MR. CAPONI: I was unaware, Your Honor.

11 THE COURT: Okay.

12 MR. CAPONI: But a document is a document. That's
13 why I deferred to --

14 THE COURT: Right.

15 MR. CAPONI: When you asked me, I said I'd defer to
16 Mr. Mazza because I wasn't sure, and now we have the answer.

17 THE COURT: Yes. So all of these entities that are
18 over here in bankruptcy saying that whatever's going on with
19 these companies that the Debtor clearly sees is a holding
20 company for all of these companies. Nobody's disputing that.
21 Nobody's disputing that the Debtor's interest in these holding
22 companies may be something that it needs to -- assuming, and
23 I'm not making any finding. Assuming that the Debtor gets the
24 opportunity to reorganize, the Debtor's clearly saying we need
25 these entities.

1 Someone's filing in the Netherlands some issues with
2 respect to these debtor's interest in these exact properties
3 that the Debtor has an interest in. And I know it's against
4 Mr. Rajan, I think is what I can gather is that to a point
5 somebody else as they're attorney, and they want -- what do
6 they want to do? And then they talk about Ultra-D Cooperative
7 UA having a principle business in somewhere as purportedly
8 represented by Mr. Rajan. Okay.

9 So what are they -- what are they trying to do? The
10 court issues --

11 MR. MAZZA: If I may, Your Honor. So the issue --

12 THE COURT: Who's speaking?

13 MR. MAZZA: It's Mr. Mazza again, Your Honor.

14 THE COURT: Uh-huh.

15 MR. MAZZA: So the issue is it's an issue of
16 compliance with Dutch corporate law and determination as to who
17 are the -- who is the board at these non-debtor entities. And
18 there have been issues with regard to legal notice and the like
19 that would be applicable under Dutch law that the parties don't
20 believe have been complied with.

21 And so really what this particular proceeding was
22 brought to do was to implement a status quo so that parties
23 could figure out where to go from here.

24 What Mr. Rajan has done is held himself out through
25 what we're advised by Dutch counsel have not been acts that

1 have complied with Dutch law at these non-debtor subsidiaries
2 and therefore there's a dispute as to whether he -- as an
3 individual, has the control to hold himself out as such.

4 MR. ALEXANDER: Your Honor, this is Vincent Alexander
5 for the Debtor. I mean, that just really begs -- the question
6 is what do these creditors of the Debtor, what is their
7 interest at the downstream entities in terms of trying to
8 impact and effect how the Debtor runs these entities and who
9 the Debtor appoints. I mean, it's clear that there's never
10 been any transfer of the stock ownerships.

11 And so upon the bankruptcy filing, all of these
12 management and control rights belong to these debtors, whether
13 it's Stream or Technovative, yet they're trying to usurp that
14 process by going to the Netherlands. You know, these same
15 entities that in individual are before this Court are trying to
16 go to the Netherlands and take advantage of some proceedings
17 over there, where they can then gain control over SeeCubic B.V.

18 And if you recall, Your Honor, they're arguing that
19 SeeCubic B.V. and if you recall, Your Honor, they're arguing
20 that SeeCubic B.V. owns the bonding equipment. So then they're
21 trying to seek and exert control over the bonding equipment.

22 And so this is all an end run around the bankruptcy
23 in terms of what they're trying to do. And on one hand, they
24 claim that they have no knowledge of what's going on. But then
25 when documents come out, oh, I guess that is happening.

1 That's the Debtor's concern is that they're trying to
2 strip the Debtor of its management and asset rights through its
3 subsidiaries. And we believe that's improper and it does
4 impact the estate, and that shouldn't go forward.

5 MR. MAZZA: And Your Honor, if I may just briefly. I
6 think the point --

7 THE COURT: Who is -- wait a minute. State your
8 name.

9 MR. MAZZA: It's Mr. Mazza. It's Mr. Mazza again,
10 sorry, Your Honor. Is that it's really a question of
11 compliance with Dutch law. And I think the Debtor is taking a
12 really loose view of how things work in a way that we filed --
13 we filed for bankruptcy. I've already gone over the argument
14 that Mr. Rajan had no authority to file Technovative. And then
15 he wants to go down the chain and assert his authority which is
16 contested as a matter of Dutch law at a Dutch entity.

17 There are employees down there who don't know what
18 their fiduciary duties are because of the issues around --

19 THE COURT: Well, as to the employees, their
20 fiduciary duty is to the company.

21 MR. MAZZA: Right, right.

22 THE COURT: So now you're stating that Mr. Rajan has
23 asserted that he's in charge. Somebody else claims that
24 they're in charge. And this all needs to be cleared up because
25 what?

1 MR. MAZZA: It needs to be cleared up so -- it needs
2 to be cleared up --

3 THE COURT: But that's to whose benefit? To whose
4 benefit? Because I'm not understanding why Hawk or any of the
5 other parties -- what's their interest in this? What is the
6 interest of Hawk Investments, SLS Holdings, what is it to them
7 who controls SeeCubic B.V.?

8 MR. MAZZA: I'm sorry, Your Honor. Could you repeat
9 the question?

10 THE COURT: What is it -- what is Hawk and SLS
11 Holdings, what is their interest as to who controls B.V. --
12 SeeCubic B.V.? I guess it's current shareholders.

13 MR. MAZZA: Well, as secured -- right. As secured
14 creditors in the structure, Your Honor.

15 THE COURT: Okay. So secured creditors -- I don't
16 know Dutch law. So secured creditors can there file to have
17 someone determine who's in charge? Could you do that? I guess
18 you could in Delaware. I don't remember Delaware law 10 to 15
19 years ago. I don't remember.

20 MR. ALEXANDER: Your Honor, Vincent Alexander on
21 behalf of the Debtor. To be clear, they're not secured
22 creditors of SeeCubic B.V. They're creditors of --

23 THE COURT: They claim that they are.

24 MR. ALEXANDER: No, they don't. They don't claim
25 that they are. Their agreements are with Stream. That's who

1 their agreements are with. They're agreements are with Stream.

2 THE COURT: Yeah, but counsel, but they said Stream
3 assigned their interest in, I guess, including SeeCubic B.V.
4 for security for the loans to Stream.

5 MR. ALEXANDER: No, I don't think any interest -- no,
6 no interests were ever assigned. I mean, you're saying there
7 were pledge agreements as part of some of the instruments, but
8 they can't effectuate those post-petition.

9 THE COURT: So are they or are they not creditors of
10 SeeCubic B.V.

11 MR. ALEXANDER: They are not creditors of SeeCubic.
12 They are not creditors of SeeCubic B.V. I haven't seen any
13 filing in which they said SeeCubic B.V. owes them any dollar
14 amount.

15 THE COURT: Mr. Mazza, are you saying you're a
16 secured creditor? How are you a secured creditor?

17 MR. MAZZA: I need to -- Your Honor, we need to take
18 a look at the security documents as to how far down the pledges
19 go. I think, though, the point is --

20 THE COURT: What's the pledge?

21 MR. MAZZA: I'm sorry, Your Honor?

22 THE COURT: And the pledge agreement was a pledge of
23 what?

24 MR. MAZZA: It would have been shares of various
25 entities in the structure. And I think the open question is

1 how far down does the share pledge go, so I don't know the
2 answer to that off the top of my head.

3 THE COURT: So then what basis are you asserting that
4 you're a creditor if your only interest that you know of is
5 that Stream pledge is -- if ownership interest in SeeCubic
6 B.V. That doesn't make you a creditor. It just makes you a
7 possible shareholder or interest or whatever it is that -- that
8 Stream TV has when Stream TV currently owns.

9 MR. MAZZA: Right.

10 THE COURT: And if you haven't foreclosed on that
11 interest, I don't know what your interest is.

12 MR. MAZZA: You're -- yeah.

13 THE COURT: This boggles me. Everything about this
14 case. And I'm not pointing at any one of you, but you know,
15 none of this makes -- is adding up. It isn't good for anybody,
16 okay. Because I have questions about all of the parties, all
17 of them.

18 And so I'm not understanding if you are not a secured
19 creditor in the sense that you haven't loaned money to SeeCubic
20 B.V. They haven't put up their assets. What the heck are you
21 guys doing in the Netherlands?

22 MR. MAZZA: Your Honor, and I'm sorry to complicate
23 this even further. But yes, there have been loans made to
24 SeeCubic B.V. to fund that entity so there is a direct credit
25 relationship. So I know this isn't an evidentiary hearing and

1 there's a lot of complicated facts here, but there are direct
2 credit relationships that relate to B.V. given the funding that
3 has been made to B.V. during the course of its operations by
4 Hawk --

5 THE COURT: You have loans and security agreements
6 with SeeCubic B.V. is what you're telling me?

7 MR. CAPONI: Correct. Correct, Your Honor.

8 MR. MAZZA: I can tell you there's loans and go
9 ahead, Mr. Caponi.

10 MR. CAPONI: Your Honor, I don't get -- to Mr.
11 Mazza's point, I don't have -- there's 20 some security
12 agreements. Most -- during -- some of the 18 original notes
13 the money went directly to B.V., but more recently when the
14 case was back in the Court of Chancery and the receiver was
15 appointed, SeeCubic, Hawk, et cetera, funded the approximately
16 \$1 million a month cash burn rate at SeeCubic B.V. directly
17 with -- from -- to SeeCubic B.V. with the receiver and there
18 were lines of credit. I just don't know all the terms of
19 those. But they were heavily secured, et cetera, et cetera.
20 It was effectively like a dip financing.

21 MR. ALEXANDER: Your Honor, this is Vincent Alexander
22 for the Debtors. That was part --

23 THE COURT: Wait a minute.

24 MR. ALEXANDER: That was part of the receivership.

25 THE COURT: Right. So the receiver, on behalf of

1 SeeCubic B.V., entered into some transactions where there was
2 money and a security interest granted.

3 MR. CAPONI: It was court approved, Your Honor, yes.
4 It wasn't some sort of, you know, secretive transaction.

5 THE COURT: Okay.

6 MR. CAPONI: The stream was for their --

7 THE COURT: Counsel, I wasn't even suggesting it was
8 secretive.

9 MR. CAPONI: No, I think the other side is. Your
10 Honor, honestly, Stream is -- I mean, Stream is well aware of
11 this. It was -- it was -- they were -- it was a multi-party
12 negotiated funding agreement where everyone signed off on it.
13 So it's -- I just don't happen to have all the terms, but
14 everyone's aware of it.

15 MR. ALEXANDER: Your Honor, this is Vincent
16 Alexander. Just to be clear, I wasn't trying to indicate that
17 I was not aware and the Debtors aren't aware that there was
18 some funding as part of the receivership, that some of these
19 entities may have done. Which particular one, I don't know. I
20 personally haven't seen a security agreement in terms of that
21 funding that occurred.

22 But again, that's not -- they're acting based on what
23 they believe are their rights as secured creditors and the
24 secured documents with respect to the Debtors in terms of being
25 able to control management. That's what they're acting --

1 they're not acting on behalf of anything that happened in terms
2 of funding as part of the receivership. I mean, so there's a
3 clear distinction about what they're trying to do. So that's
4 -- that's irrelevant to what they're attempting to do.

5 MR. CAPONI: Your Honor, again, this is Steve Caponi.
6 I'm not intimately familiar with the ins and outs of the
7 pleading in the Netherlands, so I'm not going to proposit
8 otherwise. I just want to correct counsel's statement.

9 My client is seeking to enforce all of its rights
10 however acquired, and that includes its secure creditor rights
11 at the stream level as well as the, you know, millions of
12 dollars that was more recently funded and is secured directly
13 against the assets at the B.V. level. My client is not proud.
14 It will enforce its rights in whichever manner it can, but it's
15 enforcing all of them.

16 THE COURT: But counsel, what I'm trying to figure
17 out how is bringing an action to have Mister -- and determine
18 that Mr. Rajan is not in charge of SeeCubic B.V. an exercise of
19 its rights in its collateral? That's all I'm trying to figure
20 out.

21 MR. CAPONI: Yeah, Your Honor --

22 THE COURT: Because I'm reading this and that's what
23 this thing is trying to do.

24 MR. CAPONI: Unfortunately, Your Honor, I can't shed
25 any light because I have no insights of -- never read the

1 pleadings, not been involved in it. I was just responding to
2 -- it is not simply -- whatever Hawk's doing or SeeCubic,
3 whatever's going on in the Netherlands, there are direct
4 fundings as well as the legacy fundings, I'll call it, or the
5 18 plus, 20 plus loans, so.

6 THE COURT: Yeah, so these pleadings have nothing to
7 do with the funding. They're not trying to foreclose on
8 collateral. What it relates to is whether Mr. Rajan has the
9 authority to be in charge of this company, and I'm not quite
10 seeing how that's an exercise against collateral. How that's a
11 foreclosure on collateral. I don't know.

12 MR. CAPONI: I would need to consult with Dutch
13 counsel, Your Honor, because I don't know either. All I know
14 is -- all I know is that there's an action in the Netherlands
15 under Dutch law, and that's where my knowledge ends and we
16 would need to get some, you know, understanding from Dutch law
17 experts as to the nature of the action and the questions that
18 Your Honor has.

19 MR. MAZZA: And if I may, Your Honor, Mr. Mazza
20 again. So on the pledges, there is a -- and we can file a
21 supplement with the Court to provide additional information.
22 So there is a pledge and escrow agreement that is in favor of
23 SLS, the party -- secured creditor, by the Debtors Stream and
24 Technovative Technology Holdings, Delaware LLC, Ultra-D
25 Ventures CV, and down the chain to Ultra-D Cooperative.

1 The share pledges are 65 percent of the equity
2 interest in Technoventures B.V. and 65 percent of the equity
3 interest in SeeCubic B.V.

4 THE COURT: Okay, counsel. And you believe that --
5 I'm not understanding the relevance. Hello?

6 MR. MAZZA: I apologize, Your Honor. There was
7 background noise. Do you mind repeating that?

8 THE COURT: I said, I didn't -- I'm not understanding
9 the relevance to my question of what you just said, that there
10 was a pledge of certain interest in SeeCubic B.V.

11 MR. MAZZA: Yeah, so to close the loop on that, Your
12 Honor. The issue regarding the contested governance down there
13 is the exercise of the pledge as it relates to those non-debtor
14 entities that is before the issue of contested governance
15 that's in the Netherlands.

16 THE COURT: I get that, but you're saying based on
17 the pledge, your clients have a right to do that because the
18 interest was pledged?

19 MR. MAZZA: I apologize, Your Honor. The issue --
20 there's a pledge down there.

21 THE COURT: Okay.

22 MR. MAZZA: So let's take a step back. The issue
23 before that is the status quo was that Mr. Stastney was a
24 director down there and that's what's dispute as a matter of
25 Dutch law as to whether Mr. Rajan has taken the steps in order

1 to be able to take that claim as the director down at those
2 entities.

3 The pledge is in there. It's not been exercised on
4 as far as I know.

5 THE COURT: Right.

6 MR. MAZZA: But it is a non-debtor entity. So sorry
7 for the long-winded clarification, but that -- those are the
8 facts and happy to --

9 THE COURT: But counsel --

10 MR. MAZZA: Sure.

11 THE COURT: But counsel, I'm not understanding -- you
12 only have a pledge. You haven't foreclosed on the interest.
13 At what -- what basis, when I have a debtor here who clearly
14 has an interest in these entities and now their interest in the
15 -- in management or whatever it is that's going on is now being
16 callused somewhere else. Because it clearly says -- and not
17 only that, they specifically talk about Stream's demand that
18 the bonding equipment be turned over to them. They're opposing
19 that.

20 How are they going to go to Dutch court and oppose
21 something that's before me? I'm leading this. I got a problem
22 with that. That's what they're saying that Mr. Rajan's trying
23 to take our assets and turn it over and he shouldn't be and we
24 want you to stop him. No, no, no, no, no. You're not going
25 over there with that claim. That claim is here.

1 Now, at the end of the day, I may say, okay.
2 Somebody needs to figure out who has control of this, but it's
3 not now. Not when it's before me. I have to first figure out
4 who owns this thing. Now, at the end of the day I say that
5 SeeCubic owns it and somebody needs to figure out what to tell
6 SeeCubic to do, we'll get there, but we're not there yet.

7 Now, I don't appreciate people going to another
8 jurisdiction and to get another court to decide that they own
9 it and that nothing should happen and no direction should be
10 made with respect to the turnover or release of that equipment.
11 Because that's exactly what you guys have asked for. I'm
12 reading it and I don't appreciate that. That's not going to
13 happen.

14 Now, if you guys want to go over there and fight
15 about who's in charge, but I'm reading this and that's not all
16 you're trying to do.

17 MR. MAZZA: So, Your Honor --

18 THE COURT: It says Mathu Rajan attempts to dispose
19 of a value asset of Dutch SeeCubic operation. He wants them to
20 turn over that bonding equipment, which is the exact issue
21 before me as to who owns it.

22 And so it's not a matter of whether Mr. Rajan is
23 going to tell somebody to turn it over. I get to decide who
24 owns it and then if I say it belongs to Stream, what in the
25 world is going to happen in the Netherlands if they say, oh,

1 no. We decided it belongs to SeeCubic. You can't do that. We
2 can't have two conflicting decisions.

3 MR. MAZZA: Mr. Mazza, again, Your Honor. Your
4 Honor, completely understand, I think the issue around who owns
5 it does need to be decided and I think there's confusion on
6 that point. Is it the B.V.? Is it Stream? I believe there's
7 a letter from Mr. Rajan saying it's both Stream and B.V.s.

8 And I think to just deescalate the allegations around
9 stay violations, that Your Honor hit the nail on the head as to
10 how this all can be dealt with through insurance and telling
11 people where this equipment would otherwise go and we'd be sort
12 of done with it.

13 I think that Your Honor also hit the nail on the head
14 as to the corporate law dispute. That is what it is over in
15 the Netherlands, and to the extent that that doesn't deal with
16 issues around the bonding equipment which can be dealt with in
17 a commercial fashion as already stated by Your Honor, then I
18 think we can save a lot of people a lot of time around here.

19 THE COURT: And who was this? Wait, who was that,
20 that proposed that?

21 MR. MAZZA: It was Mr. Mazza again.

22 THE COURT: Okay. All right.

23 MR. MAZZA: And that's what, Your Honor, we proposed
24 previously, so.

25 THE COURT: Okay.

1 MR. CAPONI: Steve Caponi, again, for Hawk. Just to
2 chime in on what Mr. Mazza just said, and this gets to the
3 motion we're eventually going to get to I hope about the
4 dismissal. I think regardless of who -- I mean, let's assume
5 -- we know at the start of this bankruptcy, this asset was
6 sitting at the SeeCubic B.V. level and it was being used and
7 housed there. That's the ordinary course, let's just call it.

8 The problem we have with this case is there is no --
9 the Debtors are not doing anything that you normally see. No
10 first filed -- no first day motions, no bank accounts, no dip
11 financing, no anything.

12 If this were proceeding in the ordinary course, a lot
13 of these issues would be addressed. But the Debtor, rather
14 than teeing them up the way a debtor normally does, so for here
15 example, Mr. Rajan versus -- rather than flying to the
16 Netherlands and trying to get -- just take the equipment out,
17 should have come to Your Honor and said I want to do something
18 out of the ordinary course. I want to take a valuable piece of
19 equipment. I want to move it from one subsidiary and I want to
20 move it to the ownership of a different, and we would hash out
21 adequate assurance and all those kind of issues.

22 The reason this case is such a mess is because the
23 Debtor's not doing any of the normal step one, step two, step
24 three processes. Rather it's, you know, it's reorganizing by
25 chaos.

1 And I'm happy -- from my client's perspective, Hawk,
2 I can represent to Your Honor, if we're going to tackle the
3 ownership and adequate assurances in front of Your Honor, we're
4 happy to do it. If it's going to be a smash and grab in the
5 Netherland because that's where Mr. Rajan's doing, then we'll
6 have to do it there.

7 I mean, we want to bring order to this and we think,
8 you know, dismissal or trustee does that, and we can get to
9 that. But Your Honor, I understand your frustration, but I
10 think it really needs to be directed at the Debtor before it
11 starts taking extraordinary actions, which this clearly is.

12 Why isn't it before Your Honor on a proper motion so
13 that all the stakeholders can be heard in an orderly fashion?
14 That's what we really were advocating for.

15 MR. ALEXANDER: Your Honor, Vincent Alexander on
16 behalf of the Debtors. I can briefly respond to that.

17 THE COURT: Yes.

18 MR. ALEXANDER: The Debtor would love to have the
19 opportunity to not deal with these other issues and focus on
20 what Mr. Caponi described as normal debtor operations.
21 However, since the petitions were filed, we've been met with
22 immediate resistance from each of the creditors with respect to
23 the simplest things of the Debtor even having access to its own
24 property.

25 Also, they talk about how -- it sounds like they're

1 trying to parse out, you know, management and equipment. But
2 the only way you get through the management is through the
3 Debtor's management rights going down. You can't cut through
4 the chain. So by doing anything with regards to management in
5 the Netherlands, they're impacting the Debtor's rights here in
6 the United States, and that's exactly what they're trying to do
7 is impact the Debtor's rights.

8 The Debtors want to propose a plan and have a plan
9 that they're going to propose that's going to take care of the
10 secured creditor's claims. But in order to do that they do
11 need their assets in order to do that.

12 You know, this isn't a bankruptcy -- I don't know the
13 word is ambush -- or chaos, I think is the word. We would like
14 a controlled process. But you can't hold the Debtor hostage
15 for its assets and then say, we'll give you your assets if you
16 give us something. Right, that's not the way it works. The
17 Debtor's entitled to its assets and issues of adequate
18 protection or anything else are dealt with in due course. But
19 you can't tell the Debtor, you know, you need to take care of
20 all of these issues but then they don't have the ability or the
21 assets to do that.

22 So we agree. We should be able to work out some type
23 of arrangement or agreement with regards to the equipment. But
24 we don't think any of this usage of the equipment would be
25 outside the ordinary course because it's outside the ordinary

1 course of the business and this is the business of the Debtor.

2 So we can work out bankruptcy specific issues, but we
3 need our assets in order to do that and we need the
4 interference to stop. And so that's what the Debtor would
5 like. And if we can get that, then we'll be able to proceed on
6 a path here in this case in terms of all the parties working
7 together to have a successful outcome.

8 Because at the end of the day, that bonding
9 equipment, I don't know how they used the words take or -- it
10 would be under the control and the supervision of this Court.

11 So unless they -- the creditors don't respect what
12 this Court's capabilities are to do to the Debtor if the Debtor
13 doesn't comply with its requirements, then there should be no
14 issue. It's not as if the Debtor was taking equipment and
15 transferring it to some entity that the Debtor didn't have
16 control over. No, the Debtor said this is my property, which
17 means it's property of the estate, which means it's under the
18 supervision of this Court.

19 We want everything to be under the supervision of
20 this Court so that we can move on a path forward to get the
21 issues resolved. But we can't keep having all of these, you
22 know, offramp litigations and disputes. Everything should be
23 in the bankruptcy court.

24 MR. CAPONI: Your Honor, again, Steve Caponi --

25 MR. MAZZA: Your Honor --

1 THE COURT: If you would --

2 MR. CAPONI: If I could just briefly respond.

3 THE COURT: Wait a minute. I have a question.

4 Counsel, you would agree that with respect to the issue of
5 management of these companies, that this -- I don't think that
6 -- well, even assuming I had the ability to address that
7 because it's property that a debtor has, that there's a
8 different company of companies that the Debtors --

9 MR. ALEXANDER: Your Honor, are you still there?

10 MR. CAPONI: May have dropped again.

11 MR. ALEXANDER: Okay.

12 Is Your Honor back?

13 COURT REPORTER: No, she's not back on yet.

14 MR. ALEXANDER: Okay.

15 COURT REPORTER: That was her disconnecting.

16 MR. ALEXANDER: Oh.

17 MR. CAPONI: I think she said she has to do it twice
18 now, right?

19 COURT REPORTER: Yeah.

20 MR. ALEXANDER: Yes.

21 COURT REPORTER: There's a delay, apparently.

22 THE COURT: Well, counsel, that was -- that was hang
23 up number two, so I guess we're good for the rest of the day,
24 I'm hoping.

25 Did everybody hear what I was saying before I got

1 disconnected?

2 MR. ALEXANDER: Your Honor, I think -- this is
3 Vincent Alexander for the Debtor. The last thing I believe you
4 said was counsel, you would agree regarding management, and
5 then you cut off.

6 THE COURT: Right. That regarding management, that
7 that is the issue -- I'm not quite sure that you heard me say
8 that even if it was something that I would have jurisdiction to
9 decide, and I don't know if I do or I don't, it's a core I get
10 a final decision if it's related to, I issue a report and a
11 recommendation that goes to the district court. Or it's
12 something that I say, even if I can hear it, I'm going to --
13 which I do with a lot of things. For instance, I may have
14 landlord tenant issues. I may have property disputes. Things
15 that I'm capable of doing but I think it's more appropriate to
16 be in a court that has a familiar -- that does this on a
17 regular basis, knows what the law is as opposed to me trying to
18 interpret the law.

19 So and this goes to Mr. Alexander. Do you not think
20 that at some point the issue of control over the subsidiaries
21 is going to have to be -- I'm going to call them subsidiaries,
22 because it's not -- it's a whole new company. I don't know
23 what else to call them. But of the related companies is going
24 to have to be decided at some point?

25 MR. ALEXANDER: Your Honor, we believe that that is

1 under the jurisdiction and control of this Court because it all
2 flows down from the right that Technovative has which is before
3 this Court as a debtor. And those are assets of this estate.
4 So those management rights are assets of this estate and we do
5 believe that the Court should do that in terms of exercising
6 control over that.

7 And with respect to -- you know, I believe they've
8 hinted and alluded to -- I think they're trying to bring in the
9 authority to file type issue. But we'll happily address that
10 with this Court because we believe that the caselaw supports
11 that we have a valid filing and we can proceed with the
12 bankruptcy case.

13 And when you control the entity at the Technovative
14 level, you control all the downstream entities.

15 THE COURT: Well, there's still some issue because at
16 the time of the file -- well, at the time of the filing, there
17 was a receiver who was in control, was there not?

18 MR. ALEXANDER: There was a receiver pendent right
19 that was in place.

20 THE COURT: Uh-huh.

21 MR. ALEXANDER: And that --

22 THE COURT: But that's what I -- I guess we have
23 different pronunciation. I say pendant, you say pendant like -
24 -

25 MR. ALEXANDER: You're much more sophisticated than I

1 am, Your Honor.

2 THE COURT: No, I don't think it has anything to do
3 with that. I just think it has to do with what your initial
4 language is. I think that that sort of colors how I pronounce
5 words.

6 But with that being said is that while I may have
7 jurisdiction over the Debtor's interest and I may have the
8 authority to decide the Debtor's interest, what I'm saying it
9 may not be something I necessarily would want to decide and I
10 might defer to another court to make that decision.

11 The question is, is it now or is it later on whether
12 I would do it at all. Because -- so that's all I'm saying.

13 MR. ALEXANDER: Your Honor, I mean -- Vincent
14 Alexander again. I mean, in terms of that issue, I think if
15 the authority to file issue is addressed, which is I believe a
16 core ruling and under the jurisdiction of this Court, right, is
17 the authority to file.

18 THE COURT: Definitely. Definitely. That wouldn't
19 go to anybody else.

20 MR. ALEXANDER: Yeah. I think once --

21 THE COURT: And I don't think that -- I don't think
22 that anybody's in the Netherlands challenging whether the two
23 companies have the right to file. I don't think that's what's
24 going on.

25 What I think is going on and from what my reading of

1 this and it was very brief because you just pointed it out to
2 me, but I could also read the parties various pleadings was
3 that post-bankruptcy, when the receiver was in place was no
4 longer in place, then who was in charge of the subsidiaries?

5 Clearly, it would have been the -- whoever the --
6 whoever was in charge prior to -- and I say in charge, was the
7 person with the authority, prior to the Chancery Court's
8 installation of the receiver pending the litigation.

9 That -- what did that mean in terms of I don't know
10 who was in charge. I don't know. And then once the receiver
11 no longer has the authority, then that authority could go to
12 either the party who was there or whatever process for changing
13 that would be the appropriate way to have that done.

14 But the relevance of that is that it's kind of at
15 this point, these are entities that the Debtor needs to rely
16 upon for its success, whether that's something that needs to be
17 done now or at some point in the future, or whether it's
18 something that gets resolved in the motion to dismiss because
19 whether the authority -- and I don't know what the authority is
20 because I don't know what the different articles -- whatever
21 they're called in the Netherlands, whatever it is for formation
22 or how you operate, any of those different things, I'm not
23 quite sure what that means. I just know that right now we are
24 in a specific place, and whether you are in my court or
25 somewhere else, whether those are issues that get immediately

1 addressed or not.

2 With respect to the Netherlands, what I gathered from
3 this summary proceeding is that the Debtor -- well, the company
4 SeeCubic wants to prevent Mr. Rajan from directing the --
5 whoever the representative of that company to execute the exact
6 document that someone says they need to do here in my Court,
7 and that Mr. Rajan is exceeding his authority.

8 Because they have it broken down into what the court
9 issued, the parties, the jurisdiction, the Rajan brothers
10 leading to intervention by funders in 2020, leading up to these
11 present invalid decisions making an attempted asset stripping.
12 That's the one that caught my -- let's see. The unpaid
13 financiers, SLS and Hawks are in the process of forcing their
14 security issues, consistently -- consisting essentially of the
15 ownership in the country, one in the Netherlands, and now the
16 value is in danger of being impaired in the very future by the
17 person who attracted the debt investment but is not repaying
18 it.

19 So that's sort of what they said the bottom line was,
20 which you know, are you trying to exercise your rights in these
21 companies? I don't know what they're trying to do over there.
22 But we still have a problem for this is -- it says, these
23 failure of enforcement proceeding is initiated by the
24 financiers to obtain the assets given as a security prompted
25 the independent directors of Stream to enter into an amicable

1 settlement, the omnibus agreement. Okay. Well, that's no
2 longer in effect.

3 And it says Stream and Rajan brothers refuse to
4 accept that control of the company lies with the financiers.
5 Counsel, who's to tell them that? You haven't foreclosed on
6 your security interest in the control or any of that. I'm a
7 little concerned why you would go say that and somebody would
8 allege all of that. That's all disputed, and you agree you
9 haven't foreclosed on the ownership interest.

10 So maybe you might have foreclosed on your interest
11 in the assets, but I haven't heard anybody say that you
12 foreclosed on the ownership interest of the Debtors and
13 actually, they're in this Court. I don't know how you could be
14 in the Netherlands saying something to the contrary. I'm a
15 little concerned about that.

16 MR. MAZZA: Your Honor, Mr. Mazza, again. I don't
17 know -- I don't think that that's the -- maybe it got lost in
18 translation or something to that effect. But I think the point
19 is that the status quo was that Mr. Rajan as of the filing of
20 these entities was not a director down properly recognized at
21 the non-debtor Dutch subs.

22 And so I think that the issue that may not be
23 elegantly presented in those Dutch pleadings is that that's
24 what's contested because the financing parties that have rights
25 against those non-debtors is -- doesn't entitle Mr. Rajan to

1 come down and declare himself the sole director.

2 So I think that's what's meant to be said and to the
3 extent it's not said that way, then it's not, I think,
4 elegantly presented. But there's --

5 THE COURT: But you would agree that at the time of
6 the filing, the receiver was in control of all of that.

7 MR. MAZZA: Correct.

8 THE COURT: And once he was no longer in control,
9 what did that mean for the Debtors, the holding company,
10 Technovative essentially is the owner of -- through its
11 ownership of various entities actually the owner. You know,
12 what does that mean in terms of how it's affecting debtors is a
13 concern.

14 So okay, so obviously --

15 MR. MAZZA: Your Honor, if I may --

16 THE COURT: Uh-huh.

17 MR. MAZZA: Right. So and I -- I don't think -- I
18 think that the dispute in the Netherlands is that because of
19 the filing, that didn't meant that there was some
20 transformation such that Mr. Rajan legitimately became a
21 director down at the non-debtor subs. I think that your point
22 -- there is no intent to quarrel with any of the Court's
23 jurisdiction as it relates to the Debtor entities.

24 We do think that, again, it was an alterviras
25 (phonetic) act of Technovative and that's a separate story.

1 But I think Your Honor was honing in on how the issue really
2 flagged down at the non-debtor sub. It's an issue of Dutch
3 corporate law for that court's jurisdiction to decide. And
4 while there may be this sort of indirect interest that rolls
5 back up to the Debtor entities, they don't get the benefit of
6 being able to say that I can just avoid my creditors down below
7 that I don't file for bankruptcy, that I don't put under the
8 supervision of the bankruptcy court in order to -- and extend
9 the stay in that way.

10 Again, I think Your Honor, we had a colloquy earlier
11 about extending the stay and the like. And they certainly
12 haven't done it -- done that, so.

13 THE COURT: Hold up. It's not even -- it's not even
14 -- counsel, I don't see it as both -- I also have the ability
15 to say this is part of the Debtor's assets, they have an
16 interest. Don't do anything until I figure out what I want you
17 to do with it.

18 I'm not saying that the Dutch court may not have
19 jurisdiction.

20 MR. MAZZA: Right.

21 THE COURT: But I clearly have jurisdiction over all
22 of their interests, and the Debtors, through their entities,
23 have an interest in these companies. So the question becomes
24 is what happens now?

25 Because as I said, one of the things they want to do

1 is to stop, and if the Court says, there. Make a declaration
2 that in fact that bonding equipment belongs to SeeCubic B.V.
3 and no turnover and I find exact opposite, now we've got a
4 problem. We have got a problem.

5 MR. MAZZA: And Your Honor, I think -- okay. I'm
6 sorry.

7 THE COURT: Go ahead.

8 MR. MAZZA: I was just -- I was going to say I think
9 that where you were honing in is that there is a commercial
10 resolution that could be dealt with with the bonding equipment,
11 and that would save a lot of parties a lot of time.

12 I think there's a question of who really owns that
13 bonding equipment, but really does it ultimately matter if we
14 can come up with a commercial resolution as a protection of the
15 equipment, insurance that a debtor needs that, et cetera.

16 And so to me, to escalate this to some allegations
17 around willful violations of the stay when we've come to the
18 table and unfortunately, I don't think counsel has had great
19 candor with the Court about discussions around these issues
20 which Your Honor has again pointed out.

21 And the last point I'll make on this Dutch subsidiary
22 issue, Judge Silverstein, a couple days ago, had an opinion
23 where she addressed issues regarding non-debtor subs and she
24 found that a lawsuit against a non-debtor subsidiary does not
25 violate the automatic stay if such lawsuit may impact the value

1 of the stock that the parent debtor owns as it does not alter
2 the estates -- bankruptcy estate's rights, liabilities, options
3 for freedom, or action, and that ownership of the outstanding
4 stock by the parent debtor does not confer jurisdiction to the
5 bankruptcy court.

6 So again, Your Honor, we completely have all
7 deference to everything that is under your jurisdiction and
8 what you're trying to sort out in this case and we are not
9 looking to go afoul of anything that Your Honor wants to make
10 sure is control. But let's take a step back as to how this all
11 came about.

12 We're in discussions, Mr. Rajan's headed over to the
13 Netherlands and is trying to take control, and frankly, parties
14 are just trying to protect their rights. And so any guidance
15 from Your Honor would certainly be appreciated because these
16 are issues that are complicated.

17 And again, they have a commercial solution that we
18 can deal with one way or the other. But this does not mean
19 that Mr. Rajan can just throw himself around and cloak himself
20 in the automatic stay when it simply doesn't apply.

21 THE COURT: Right, and I get that. Right.

22 MR. ALEXANDER: Your Honor, this is Vincent
23 Alexander, the Debtor. When you're done, I would like an
24 opportunity to speak. I don't mean to cut you off.

25 THE COURT: Right. No, I just want to comment that,

1 right. I don't know what rights Mr. Rajan has, doesn't have.
2 I'm sorry. I don't know what rights -- who has what rights
3 with respect to the control over these companies or whether you
4 can or cannot replace whoever was there. That's an issue that
5 needs to be resolved either -- because is it the Debtor's
6 interest that's being affected or whose interest?

7 And I get it, I haven't read Judge Silverstein's
8 decisions. I don't know if they're factually the same. I have
9 no idea what the soup was, what -- if they're exactly the same
10 or whether they were trying to foreclose on something. I don't
11 know.

12 My concern with respect to that action with respect
13 to the secured creditors, they are secured creditors, at least
14 from what I can gather, prior to the installation of -- or the
15 appointment rather, of the -- and from what I'm gathering, and
16 I could have this factually incorrect, it was prior to the
17 appointment of the receiver during the litigation. It does not
18 appear that SeeCubic B.V. had any direct loans or pledges or
19 anything with the creditors who brought the action in the
20 Netherlands. At least I haven't heard any. What I've heard is
21 -- yes?

22 MR. MAZZA: Your Honor, Mr. Mazza again, and I know
23 there's been a lot of facts. But yes, the B.V. equity is
24 pledged, 55 percent of it to their creditors, so.

25 THE COURT: Right. But it was a pledge through who?

1 MR. MAZZA: It would have been a pledge by the owner
2 Cooperativ.

3 THE COURT: Okay. But that's what I'm saying. I --
4 what I'm saying is that the ownership interest in that company
5 was pledged either by Stream or by some other entity. So and I
6 don't know if that was prior to -- I understood that it was
7 during the receivership that loans were made, pledges were
8 made. You're saying that there was loans to Cooperativ and
9 they pledged their interest?

10 MR. MAZZA: Correct. Cooperativ had pledged it's
11 interest to SLS and Hawk. So it's set forth in I believe, is
12 that the collateral estoppel opinion written by Chancellor
13 Laster. If I can just indulge, Your Honor.

14 "Between 2010 and 2020" -- and I'm reading from the
15 opinion,

16 "stream borrowed millions of dollars. Stream's
17 senior secure creditors SLS Holdings 4 LLC to be
18 referred to as SLS between 2011 and 2012, Stream
19 borrowed six million from SLS under a series of
20 notes, the SLS notes. Stream pledged all of its
21 assets as security for the SLS notes and executed a
22 security agreement that authorized SLS to levy on its
23 assets in the event of default.

24 "Seniors Streams junior creditors Hawk between 2010
25 and 2020, Stream borrowed more than 50 million from

1 Hawk plus additional millions denominated in dollars.
2 The loans are documented in a total of 18
3 substantively identical notes.

4 "In connection with the Hawk notes, Stream executed
5 18 substantially identical security agreements,
6 subject to the senior security interest held by SLS.
7 Each of the Hawk security agreements granted Hawk a
8 security interest in substantially all of Stream's
9 assets including the company shares. Each of the
10 Hawk security agreements authorized Hawk to levy on
11 and take control of Stream's assets to satisfy Hawk
12 if Stream defaulted.

13 "Also in connection with the Hawk notes, Stream
14 executed a total of 15 substantially identical pledge
15 agreements. Each provided if Stream defaulted on any
16 of their Hawk notes, then Hawk could vote the company
17 shares."

18 Bear with me a second, just don't fail me the rest.
19 I apologize, Your Honor. Just one second. The opinion's kind
20 of lengthy.

21 MR. ZAHRALDDIN: Your Honor, this is Raphael
22 Zahralddin. Can someone identify which date of which opinion
23 Mr. Mazza's reading from?

24 THE COURT: Well, I don't know if it answers my
25 question. My question is --

1 MR. MAZZA: November 29th, 2022, is the date.

2 MR. ZAHRALDDIN: Thank you.

3 THE COURT: Okay. So my question is did some -- an
4 opinion on non-opinion, did Cooperativ pledge it's interest
5 separately?

6 MR. MAZZA: Yes.

7 THE COURT: Not separately pledge it's interest in
8 SeeCubic as security? Not through Stream. Not Stream pledging
9 its interest in Cooperativ, but Cooperativ directly itself
10 getting a loan, or maybe Cooperativ in connection with Stream's
11 loan pledge their its interest. Did each entity also pledge
12 their interest in whatever else they have?

13 MR. MAZZA: Yes. That's what I'm -- I'm trying to
14 find that specifically. But if we could file a supplement to
15 the Court to provide that information, again.

16 THE COURT: Yeah, that would be filed -- or that
17 would be fine.

18 MR. MAZZA: Yeah, okay. Your Honor. Thank you.

19 THE COURT: Okay. So I guess we've gotten through
20 enough of -- I mean, this is colloquy. Can you imagine what
21 trial's going to be like if we have to try this matter on
22 relief from the State.

23 So I think I sort of know where I am with that, and
24 I'll figure out what I want to do.

25 Let's talk about the motion to dismiss. Clearly,

1 that's going to need evidentiary hearing because I can't even
2 do it without it. So let's talk about that.

3 MR. CAPONI: Yes, this is Steve Caponi for Hawk who
4 filed the motion.

5 THE COURT: Wait a minute. Wait a minute. Wait a
6 minute.

7 MR. ALEXANDER: Mr. Caponi, I apologize. This is
8 Vincent Alexander. I apologize. I didn't mean to cut you off.

9 THE COURT: No, it's somebody else's fault.

10 MR. ALEXANDER: I had asked Your Honor if I could
11 just clarify one point before you had moved on. It's Vincent
12 Alexander on behalf of the Debtor.

13 THE COURT: Sure. Okay. What was the point? Be
14 fast.

15 MR. ALEXANDER: I'm sorry. It was just --

16 THE COURT: Go ahead.

17 MR. ALEXANDER: A, there was just one comment made
18 about candor to the Court, and I just want to let you know,
19 we're just stating the facts to Your Honor and being very
20 candid in terms of what the position is.

21 And our whole view is that the control goes
22 downstream. So if you have control at the top, you have
23 control at the bottom. And so our position is that if the
24 bankruptcy is authorized, the Debtors have control of all the
25 downstream entities and there shouldn't be any proceedings

1 anywhere else trying to determine the control issues because it
2 all stems from assets of the estate.

3 So we agree that we can't have parallel proceedings,
4 and we think this Court should decide those issues first. And
5 if they want to do something in the Netherlands after this
6 Court makes a decision, then, so be it. But those issues need
7 to get decided here first.

8 THE COURT: Well, I'm not sure if any of it is black
9 and white is that, because whether the Debtor has control over
10 its interest in these various entities are governed and
11 controlled by separate agreements, separate laws, separate
12 everything. So yes, I agree the Debtor has interest and that
13 interest is property of the estate. But what that interest is,
14 is to the extent somebody who's challenging is typically
15 interest in property of the estate is determined by the
16 bankruptcy court.

17 And so I'm not sure and I'll take a good look at
18 Judge Sue's (phonetic) decision. What does that mean if a
19 debtor has interest in a subsidiary, and there is some
20 litigation against that subsidiary. There are cases clearly
21 where the stay is put into effect to say, we're going to just
22 put a hold on everything, until we can first get something
23 going in the bankruptcy. But I think as an initial matter,
24 even before we get to any of that, if there is a motion to
25 dismiss on the basis that this is an unauthorized filing, which

1 in and of itself, may take care of everything, assuming that
2 this is -- I'm not -- I don't know if it's right or wrong. But
3 let's talk about that.

4 So I get your position, counsel. And I'm not -- you
5 know, I'm not quite sure that even -- I'm not saying that
6 you're not correct in that this is property of the estate and
7 control lies with the Debtor. But that control is not defined
8 by bankruptcy law. The interest of the Debtor in the property
9 is not disputed. No one's saying the Debtor through its
10 subsidiary doesn't have an interest, but what that interest is
11 and how you exercise that interest may be property of the
12 estate. And I can't recall, I probably -- I think I addressed
13 that issue somewhere at some point.

14 But in interpreting that, it may not be something I
15 would want to undertake. It would be something that I would
16 likely defer to the Netherlands, because that is more -- for
17 instance, if this was an issue of Pennsylvania corporate law,
18 Jersey corporate law, even Delaware, I mean, I took the bars
19 years ago. I'm not saying I'm not that much of an expert, but
20 I think I would have the wherewithal to say, okay, I can figure
21 this out. And I'll figure it out. Sometimes when even when I
22 have jurisdiction to, "figure it out" I defer to a more
23 competent court. So that's all I'm saying with respect to
24 that. Okay? All right.

25 MR. MAZZA: Your Honor, Real quick. And I'm sorry to

1 belabor. Mr. Mazza again. And as far as what's been said in
2 the Court around the buying equipment, the point I was making
3 is that, as Your Honor had suggested, if we could just come up
4 with a commercial arrangement that could be dealt with and not
5 waste the Court's time. So that's why I made that point is
6 that counsel hadn't said anything about that. And we wish they
7 had come to the table to be more commercial as opposed to try
8 to come up with stay violations.

9 And then just the last point that you raised
10 regarding what's going on in the Netherlands, and the courts of
11 competent jurisdictions alike, and I think this is just a
12 preview to what you're going to hear from Mr. Caponi on the
13 motion for alternative relief, but the 225 action was advanced
14 to virtually the end of the line, and then this case got filed.
15 The 225 action would have decided all these things in Vice
16 Chancellor Laster's court.

17 So in our view, while we've completely respected have
18 full deference for what Your Honor has under your jurisdiction,
19 these state law property estate issues have been really run to
20 the ground. And for that reason, that's going to support what
21 Mr. Caponi is about to lay into.

22 THE COURT: Okay. All right. Mr. Caponi.

23 MR. CAPONI: All right, Your Honor. I take it to
24 heart that we've been going for quite a while here. And I
25 think we've plowed a lot of ground. And you know,

1 there's -- the Debtor thinks it's a legitimate entity. These
2 are organized. We think it's a bad faith filing and an effort
3 to avoid, you know, the creditors. And I don't want to belabor
4 that point.

5 I take Your Honor's issue regarding the need for an
6 evidentiary hearing. And I think, you know, rather than
7 arguing the merits of the motion, we ought to focus on that
8 with one exception. And that exception, Your Honor, would be
9 the authority to file I think it's the primary one. There's no
10 evidence needs to be taken on that. The Court need only look
11 at the receivership order. Counsel, you know, we had a
12 discussion a few minutes ago about pendente lite or lite.

13 If you look at the face of the order itself, that is
14 incorrect. The Vice Chancellor's decision, which is a reason
15 decision made it very clear that on behalf of the state of
16 Delaware, he was reclaiming the entity, control of the entity.
17 And he put the receiver in place to be the board of directors,
18 not to manage assets. So it's not a situation where you have a
19 board of directors and then a receiver is overseeing the
20 assets. The board was removed and replaced with the receiver.
21 And that's spelled out very clearly in the order.

22 As a result, this isn't a situation where was there a
23 constitutional infringement on the entity's right to file
24 bankruptcy? No. The receiver was the board and was the only
25 one able to do it. Mr. Rajan was a third party, a stockholder

1 at best and had no authority. So I think, Your Honor, we could
2 tee that up, and that could be resolved on the papers that
3 currently exist.

4 THE COURT: Okay.

5 MR. CAPONI: When you get into the -- and again, I
6 would urge the Court to read Vice Chancellor Laster's decision.
7 I'm a corporate law lawyer geek. There's a huge distinction
8 between if you look at the order, it refers to the statutory
9 appointment of a receiver, that you would appoint for a
10 pendente lite.

11 And then it -- but it specifically says that under
12 Section 141, which is the provision of 8 Del code 141, which
13 governs the authority of a board of directors and states that
14 all corporations are managed by the board, Vice Chancellor
15 Laster says, I am vesting in this receiver all rights and
16 authority that would otherwise sit with the board of directors.
17 And I think once he did that, the only person who could file
18 bankruptcy, speaking as the board of directors, was the
19 receiver. Not Mr. Rajan. So we think as to Technovative,
20 that's why it's a fraudulent filing.

21 On the merits of the rest, Your Honor, I'm going to
22 take a quick stab at just saying this is the third go around.
23 Two bad faith -- you know, two filings that dismissed before.
24 Each one has a pattern, on the eve of a negative decision in
25 the Court of Chancery twice before they were dismissed. We

1 think Your Honor could take judicial notice of all that, and
2 reach the same conclusion right now.

3 And I think that is bolstered by as I mentioned, just
4 look at the docket. Any credible debtor would have filed first
5 day motions -- would have filed other motions, financing
6 motions, would have given the Court some indication of what it
7 is doing. I mean, we've been here a month. And the only thing
8 the Debtors have filed are sanctions motions, trying to reclaim
9 assets, but without dealing with insurance, and all these
10 issues that you need to do on a credible basis.

11 So I think the lack of activity speaks for itself,
12 combined that with the past history, I think, Your Honor, could
13 make a decision here. But again, if Your Honor is more
14 comfortable with an evidentiary hearing on those aspects, and
15 would rather talk about scheduling, I think it needs to happen
16 faster and quicker. And the Debtors are going to say August
17 and we need evidence. No, we don't. This needs to happen now.
18 And as I mentioned, the very first time we spoke.

19 Now, I think this is a critical point. There's an
20 operating subsidiary that has no revenue and payroll is due.
21 My clients covered the last payroll. And it is shocking that
22 the Debtors have not reached out. The Debtors have not picked
23 up the phone once to talk to secured creditors, my client in
24 particular, about the assets are funding this estate.

25 There's payroll coming due. Everyone stops getting

1 paid. Everyone walks out the door. All the intellectual
2 property is gone. And there's no TVs being made and no
3 intellectual property to monetize. The fact that this debtor
4 has done nothing to come before Your Honor and say this is what
5 our plan is to pay for those people or ask my client, under
6 what terms will you continue funding the operations is a huge
7 red flag. And so we don't have till August. I don't think we
8 have to the end of April, before payroll's not met.

9 THE COURT: Well, that was -- and I'll ask this to
10 counsel. I wanted to know who's funding these people? I mean,
11 there's no cash collateral. Who's funding anything? That was
12 one of my questions.

13 MR. CAPONI: It's been my --

14 THE COURT: I wanted to know who was going to fund
15 them? And how was that working?

16 MR. CAPONI: Your Honor, as to my clients to date, we
17 have -- we funded the last payroll and left enough money there
18 when they filed the bankruptcy to cover the payroll. So in the
19 taxes, that's presently current. But I believe by the end of
20 April, that situation --and now payroll's due and -- did we
21 lose Your Honor?

22 THE COURT: No, no, I'm still here.

23 MR. CAPONI: Okay. I heard a beep.

24 THE COURT: Somebody else dropped off.

25 MR. CAPONI: So Your Honor, there's a lot of pie in

1 the sky from the Debtor about they have orders and whatnot, it
2 takes cold hard cash to fund. There it is irresponsible at the
3 highest order that the Debtor has not filed something with Your
4 Honor. Has not reached out. Has not even initiated a
5 discussion. That we think is telling and explains why this is
6 a bad faith bankruptcy.

7 And we need to get clarity as to either they're going
8 to fund and they've got proof of it. And we're not and my
9 clients secure collateral is not going to dissipate at the end
10 of the month. Or they got to come to this Court and admit they
11 can't fund and then we can all deal with the repercussions of
12 that. But to want to push a bad faith filing and a dismissal
13 or trustee motion out until August, this thing is going to be
14 off the cliff long before then.

15 My client filed the motion it did, because it was
16 willing to work with an independent receiver who was going to
17 preserve the assets to fund this entity. My client most likely
18 is willing to do the same again. Is it willing to fund an
19 entity so Mr. Rajan can run over there and download source code
20 and move equipment? No. So I'll stop there.

21 THE COURT: Okay. So not that any of these companies
22 are in bankruptcy, right?

23 MR. CAPONI: Correct.

24 THE COURT: I mean, who owns the -- I'm assuming
25 there's a patent, there's trademarks, there's something with

1 respect to the technology. Who owns the technology?

2 MR. CAPONI: Well, Your Honor, that is what led to
3 the first motion. Our view is it's owned at the different
4 levels, you know, the patents are owned by whoever they were
5 assigned. A lot of the intellectual property belongs to
6 SeeCubic B.V. Stream is of the position that if it's owned by
7 a subsidiary, no matter how far down the line, Stream has the
8 right to go down to that subsidiary and pluck it out and bring
9 it up to the Stream level.

10 THE COURT: I don't know about --

11 MR. CAPONI: And that's our -- that's our, like,
12 look, Your Honor, it's a bonding equipment issue. As an
13 example, if Mr. Rajan was saying, SeeCubic B.V., I'd like you
14 to turn the equipment on and make some panels. There'll be a
15 lot less heartburn on my end, and my clients' end. Instead
16 he's saying I want you, SeeCubic B.V., to give Stream the
17 asset. And he's been trying to do that with all the
18 intellectual property. So my client can't fund an entity, have
19 the lights turned on and the heat and air conditioning so that
20 it's comfortable and Mr. Rajan and Stream -- I'll stop accusing
21 Mr. Rajan -- so that Stream can upstream all of the assets out
22 of that entity.

23 UNIDENTIFIED SPEAKER: Your Honor --

24 THE COURT: Wait a minute, wait a minute, wait a
25 minute.

1 UNIDENTIFIED SPEAKER: Yes, Your Honor. Apologies.

2 THE COURT: Okay. Hold on a minute. I will say
3 this. Bankruptcy is not a free for all where you get to do
4 things because you're in bankruptcy. There are rules. There
5 are just because you're in bankruptcy and you have an interest
6 in something doesn't give you the right to go do anything more
7 than what rights you had in connection with that entity.
8 Whatever those rights are, they are. If they are -- if you
9 don't have them before bankruptcy, you surely didn't get them
10 because of the bankruptcy.

11 So whoever owns the intellectual property,
12 whoever -- whatever they are, the ownership remains. So I'm
13 not saying that who's right who's wrong, but there is to be no
14 movement of anything with the claim that because I'm in
15 bankruptcy, I get to do it. If it's an asset of the two
16 debtors, it remains their asset. If it's an asset of their
17 subsidiary or whoever owned it before, they continue to own it.
18 So all of that has to be sort of sorted out. But what you're
19 saying, counsel, is that the Delaware court has already decided
20 on all of these assets?

21 MR. CAPONI: No, Your Honor. I mean, on an asset-by-
22 asset basis, no. The Delaware court and -- when I say
23 Delaware, the parties, it wasn't a -- it was a finding, but it
24 was an admission by all the parties.

25 THE COURT: Right.

1 MR. CAPONI: All of the hard assets, all the assets
2 of value, are at the operating subsidiary level, not even at
3 the Technovative level. I mean, Technovative is just the choke
4 point. It owns the stock of the company that then owns all the
5 operating subsidiaries. So there are no assets really at the
6 upper levels.

7 But you know, Your Honor, I would be remiss if I
8 didn't mention, the Debtor never even filed an objection to the
9 pending motion. So I know you're not -- I highly doubt your
10 Court's going to grant it on that basis. But I will point out
11 that there was a motion filed, a serious motion, the court set
12 a deadline that passed and the Debtor never even responded. We
13 have funding they haven't responded to. And we have --

14 THE COURT: I thought -- wait a minute, I just
15 printed out -- I'm printing and I can't find them. I'm like,
16 hold on. I thought I had -- wait a minute. I thought I had
17 docket number -- oh, they filed an objection to request for
18 expedited consideration of the motion to dismiss. And they
19 filed that I guess I preliminary the the intent -- to you
20 know -- then they said object. They don't think that should be
21 different. I guess I took that as an objection and they
22 requested a status conference instead.

23 MR. CAPONI: Your Honor had granted the motion to
24 expedite and then set, I believe Wednesday night is the date to
25 file any opposition to the motion. And that's what I was

1 referring to.

2 THE COURT: I filed --

3 MR. CAPONI: That date came and went.

4 THE COURT: Okay.

5 MR. ALEXANDER: Your Honor, this is counsel for the
6 Debtor, Vincent Alexander. It was a request -- an objection to
7 the request for the expedited relief. And that's our
8 understanding in terms of what was being heard today was
9 whether or not it should be heard on an expedited basis as
10 opposed to --

11 THE COURT: I don't think -- let me look at the
12 order. Because I don't recall -- I don't recall any
13 discussions. I'm not going to say what happened. I think I
14 may have said schedule them both for the same time. But I know
15 I wasn't going to have an evidentiary hearing. That definitely
16 wasn't going to happen. What did the order say? Did we issue
17 an order and my courtroom deputy contacted you?

18 MR. ALEXANDER: Well, an order was entered, Your
19 Honor, that set the -- today as the hearing date. Granted the
20 motion to expedite, scheduled a hearing for today or a
21 conference for today and set Wednesday as the deadline for any
22 opposition to the substantive motion.

23 THE COURT: More -- okay, hold on. What docket entry
24 is that? A joinder motion to relief. Okay. Hearing schedule.
25 Motion to sanction. Motion to move -- hearing rescheduled.

1 Did we put an extra order in there? I'm just looking.

2 Counsel, what are you referring to when I set the
3 deadline to file a response?

4 MR. ALEXANDER: Your Honor, I don't have access to
5 the docket. I don't know if one of my colleagues on the phone
6 does, and --

7 THE COURT: I'm seeing hearing reschedule as the
8 start time. Oh, that was for today. Never mind.

9 MR.ZAHRALDDIN: Your Honor, this is Raphael
10 Zahralddin from the Debtor. We spoke to I believe a
11 gentleman's name was John. He was substituting for your deputy
12 and --

13 (Court and clerk confer)

14 THE COURT: Yeah. Okay. 87. There we go. Thank
15 you. Thank you, Michael. The Court hasn't reviewed the
16 motion. A hearing on the motion will be held on the 14th day
17 of April. Any responses must be filed on or before the 12th
18 day of April. And it usually says 5 p.m., but that's missing.
19 So clearly, I mean, I authorized it. And we -- I discussed it
20 with Mr. Barbetta (phonetic) and told him what to put in here.

21 So clearly his response is he just didn't pick the
22 date out. I gave him the date. So clearly my order granted
23 the expedited. I would have considered your objection. And it
24 wasn't because -- I think there were numerous phone calls. And
25 again, counsel, I'm going to admonish you. Do not call my JA

1 or my courtroom deputies and inundate them with phone calls
2 about asking for status conference and issuing amended orders.
3 Don't do that. If I want amended order --

4 UNIDENTIFIED SPEAKER: Your Honor --

5 THE COURT: Don't do that. I mean --

6 UNIDENTIFIED SPEAKER: Understood, Your Honor.

7 THE COURT: I mean, I said that at the last hearing.
8 Don't do it. You know, I don't like that they feel overwhelmed
9 and bombarded with requests that they know I'm not going to
10 give and I'm not going to do. If I want to schedule the
11 status, I know how to schedule one. I never -- and I'm not
12 sure where you guys are, you know, every court practices
13 differently. But I never have an expedited hearing without --
14 and particularly if it's going to be evidentiary -- without
15 telling people ahead of time that I'm going to have it.

16 If you look at my rule, they specifically state, if
17 anything more than 30 minutes, we have to specifically schedule
18 as our trial, if it's going to be a trial more than 30 minutes,
19 I always do an -- even on an expedited basis. If I need -- if
20 something is critical, where for instance, you know, something
21 doesn't happen in the next day, that there's going to be some
22 detriment to the Debtor, I'll have an initial hearing and do
23 some preliminary ruling, and then have a following hearing with
24 a final order, which you can do in connection with any type of
25 motion.

1 Now, obviously, with respect to a motion to dismiss,
2 I can't do that because I either dismiss it or don't, or I hear
3 enough to say, you know what? I mean, I sua sponte appointed a
4 Chapter 11 trustee based on what I heard, but that was after
5 evidentiary hearing. Or I issued an order saying why I
6 shouldn't appoint one, based on what I heard at some hearing.
7 But I always -- I want to give people their due process rights.

8 So unless you get an order saying we're having an
9 evidentiary hearing, you can rest assured it's going to be what
10 we're doing today is going over trying to figure out, you know,
11 even if I have an evidentiary hearing, it's not going to be on
12 the full blown because there's enough things that are clearly
13 established, and it would only be on the disputed matter.

14 So with respect to the motion to dismiss, what I'm
15 hearing from counsel is this can be disposed of, from a legal
16 perspective without any evidence. Or when I say not any
17 evidence, presumably, they've asked for the motion to dismiss
18 and say, take judicial notice or attach a copy of the order and
19 decisions from the Chancery Court, and you can -- based on
20 this, this is the order. Nobody's disputing that that's the
21 order. I'm interpreting what the order means and how it
22 relates to authority to file and look at everybody's arguments.

23 I would do that before I even schedule an evidentiary
24 hearing. Because if I find that as a matter of law it wasn't
25 authorized, then that's it. If I find that a matter of law was

1 not precluded, then we go to an evidentiary hearing on the
2 issues of bad faith, whether it's legitimate bankruptcy
3 purpose, all those other things.

4 So don't do that. Don't call. And if I issue an
5 order, you can rest assured that it says what it says and I
6 know what it says. And it means what I said. Okay. Now, I
7 forgot how we went off on that because I think I was -- there
8 was a reference to no response filed. Okay. And I did print
9 out the objection, which I saw as an objection only to the
10 expedited request. But that can be addressed here, which is
11 the Debtors don't want it to be done on an expedited basis, the
12 relief sought, which we could address today.

13 MR. CAPONI: Well, Your Honor --

14 THE COURT: That's -- yes. Who's speaking now?

15 MR. CAPONI: Sorry. Steve Caponi again. What you
16 just said, one, I will make sure everyone on my end does not
17 pester your chambers. Two, I agree with what Your Honor just
18 said wholeheartedly as a way to proceed. I think Your Honor
19 should look at the Court of Chancery's order on whether there
20 was an authority to file Technovative. It's a pure legal
21 issue. Read the order. And Your Honor will either determine
22 that the trustee has the sole authority or not.

23 And if Your Honor agrees, that solves that problem,
24 and if not, go to an evidentiary hearing. And I think our time
25 this afternoon will be best spent on discussing a schedule for

1 that evidentiary hearing if it's necessary or putting in place
2 the hearing date, so Your Honor can, you know, have time to
3 review the current pleading on the legal issue, the parties can
4 do whatever discovery the Debtor wants.

5 But again, I would just say, there's no funding at
6 the operational level. We're teetering on the cliff. So I
7 would just plead for a earliest date as possible. And note
8 that every day that goes by is to a detriment to my clients as
9 a secured creditor. And I'll pause there to see if Your Honor
10 has any questions.

11 THE COURT: No, I don't have any more questions or
12 comments at this time.

13 Okay. Mister -- is it counsel for the Debtors. Is
14 it Mr. Alexander?

15 MR. ALEXANDER: Yeah, that --

16 THE COURT: Okay. Go ahead, counsel.

17 MR. MAZZA: Just -- sorry to interrupt, Mr.
18 Alexander. Just on the SeeCubic side, I know we joined in the
19 motion, so if I can just briefly --

20 THE COURT: Oh, I'm sorry.

21 MR. MAZZA: No problem.

22 THE COURT: I apologize. Okay, go ahead.

23 MR. MAZZA: Mr. Mazza again, Your Honor, for
24 SeeCubic. Just real quick, I agree with everything that Mr.
25 Caponi laid out and that set forth in the papers and this can

1 be dealt with in an expeditious fashion relating to the ultra
2 vires act issue. But one thing as it relates to this kind
3 of -- the bankruptcy code and requirements on hearing things,
4 we do think this is urgent to move forward as quickly as
5 possible, obviously, in full deference to Your Honor's
6 schedule, a lot of complicated facts here.

7 And the outside date under 1112(b)(3) is 45 days for
8 this kind of motion to be adjudicated. So and I know, again,
9 it's very complicated, but there are issues that can be
10 addressed, I think, in a very discreet fashion to get to a
11 quick ruling here, Your Honor. And given the issues that are
12 real as to the preservation of value for the business that have
13 been laid out in the papers and that Mr. Caponi has gone
14 through, that is something that's going to be important to the
15 secured creditors for there to be relief sooner rather than
16 later.

17 And we do think given what has been filed so far in
18 the case, or lack thereof, as far as moving forward, in a way
19 that these cases would actually be a legitimate bankruptcy
20 purpose, really, this is just a rehash of litigation, in our
21 view, and is already been set forth in Mr. Rajan's affidavit
22 that they're just seeking essentially, to convert the debt,
23 which they were essentially going to lose on in the 225 action
24 fully and finally. And only a minor issue was left to be
25 decided on that, that this should not -- this should not

1 continue for much longer, given the real business exigencies
2 here and what the bankruptcy code requires, as far as this sort
3 of motion to be heard.

4 But in the meantime, as it relates to the earlier
5 motions that were before Your Honor, some maintenance of a
6 status quo that does not allow for any situation where the
7 assets do not get preserved, is of paramount importance, while
8 the Court considers the issues are in front of it. So we'd
9 also emphasize that as being something that needs to be done in
10 order to protect creditors interests in this case. Thank you,
11 Your Honor.

12 THE COURT: Okay. Anybody else with respect to the
13 motion -- in support of the motion to dismiss? Okay.
14 Opposition to the motion to dismiss.

15 MR. ALEXANDER: Hi, Your Honor. Vincent Alexander on
16 behalf of the Debtor. I'm not sure there is an order that
17 you'd like me to address the issues raised, but in terms of it
18 seems like the authority to file seems to be an issue that was
19 prominently argued on the other side, and we believe that the
20 case law supports that the Debtors did have the authority to
21 file the bankruptcy when it was filed.

22 And the case law addresses, you know, orders when
23 receivers are acquainted in terms of, you know, from state
24 courts, and whether or not an order that restricts the filing
25 of a bankruptcy is enforceable. We believe that the order that

1 was entered by the Chancery Court restricted the ability of
2 anybody to file bankruptcy. And therefore, that order is void
3 with respect to its treatment, and how in terms of the
4 authority to file and the authority to file bankruptcy is not
5 vested in the receiver. But there's nowhere in the order that
6 says it is vested in the receiver.

7 What the order did is it strips the Debtor Stream
8 from its ability to file bankruptcy for Technovative, and
9 that's an unenforceable order. We believe the state lawyer is
10 clear on that. And we can certainly brief that issue for Your
11 Honor since that is considered a legal issue. But we can
12 provide all the factual support for that argument, in terms of
13 legal support for that argument, in terms of whether or not the
14 Delaware order was enforceable given its impact and its
15 restriction on a fundamental right of a corporate entity, which
16 is the ability to file bankruptcy.

17 So we believe that that issue will be dispensed of,
18 and in terms -- and will ultimately show that Stream had the
19 authority to put Technovative into bankruptcy. And this is a
20 lawful filing under the bankruptcy code and that the case
21 should have and should proceed.

22 In terms of the other arguments about funding at the
23 lower levels, Stream was prepared to fund the lower levels.
24 And in order to do that, that's one of the reasons why Mr.
25 Rajan went over to the Netherlands was to again, assess the

1 situation and the operations in the Netherlands. Because prior
2 to the omnibus agreement and all the assets being transferred,
3 over -- improperly transferred over to SeeCubic, the Debtors
4 had no issues, you know, managing SeeCubic B.V. What
5 ultimately happened after they lost the management rights,
6 which ultimately came back is SeeCubic multiplied the workforce
7 over there, ran up the expenses, and that's not -- and that was
8 for SeeCubic's benefit, right.

9 So what the Debtor needs to do is reassess the
10 situation over there. It's prepared to fund whatever the
11 expenses -- the necessary expenses are over there. But when
12 Mr. Rajan goes over there to look at the books and records and
13 talks to people, and he's denied access to the information to
14 which he's entitled, it's difficult to say you should be
15 funding something, but then you're not getting the records from
16 the entity in order to determine what the funding needs are,
17 and that you're going to have control over the entities that
18 you're funding.

19 So the Debtor is prepared to do that, but it needs to
20 know exactly what the needs are. And it needs to stop being
21 interfered with in terms of the management, so it can determine
22 how much money it needs to put in to this bankruptcy case. And
23 then appropriate motions will be filed with the Court. But at
24 this point, we don't know what the numbers are.

25 We've heard you know, what a number may be, but we

1 don't have the backup for that number. We don't know what all
2 the people do that are there. We don't know whether they're
3 necessary to stay there in terms of the operations. And that's
4 all the information that the Debtor needs in order to determine
5 what the funding sources are in the Netherlands. But the
6 Debtor is prepared to fund the Netherlands in terms of the
7 operations.

8 And it's also the Debtors understanding that we
9 believe based on discussions with the receiver, that there was
10 a delinquency in funding, possibly in excess of a million
11 dollars by the secured creditors prior to -- and when I say the
12 Hawk parties, you know, prior to the bankruptcy filing. So we
13 don't believe under their --

14 THE COURT: What about -- wait a minute. What did
15 the receiver tell you when he set the funding?

16 MR. ALEXANDER: That they were -- that the Hawk
17 parties were delinquent on their funding under a promissory
18 note.

19 THE COURT: What promissory note?

20 MR. ALEXANDER: That they -- when they agreed to fund
21 in the receivership to SeeCubic B.V., there was a promissory
22 note. That's what we talked about earlier, Your Honor, at the
23 post-receivership funding that there was deficiencies in terms
24 of the amounts that were supposed to be funded.

25 THE COURT: So there was a promissory note issued by

1 SeeCubic B.V. --

2 MR. CAPONI: Your Honor, I'd have to see. I think it
3 was with the recent I have to check.

4 MR. ALEXANDER: That's what everybody was talking
5 about earlier in terms of getting the actual documents. I
6 don't know if --

7 THE COURT: Counsel, can you hold one second, please?

8 MR. ALEXANDER: Sure, Your Honor.

9 THE COURT: Counsel, can you hold one second, please?

10 MR. ALEXANDER: Yes, Your Honor.

11 MR. CAPONI: Yes, Your Honor.

12 THE COURT: I'm sorry, counsel. So hold on one
13 second. So page 20 of the motion to dismiss talks about the
14 funding? Counsel?

15 MR. CAPONI: Sorry, Your Honor. What was that
16 question, Your Honor? I didn't --

17 THE COURT: I think page 20 of your motion to dismiss
18 talks about the funding.

19 MR. CAPONI: I'm turning there right now. Yes, Your
20 Honor. So just to briefly -- my client -- the promissory
21 there was funding from SeeCubic Inc., to SeeCubic B.V. via the
22 receiver. The funding to cover payroll, and we covered every
23 single payroll and covered all the taxes was, I think, a little
24 over \$3 million. And so the notion that it was a line of
25 credit, basically.

1 The receiver was able to draw down when needed and
2 the receiver -- contrary to what was just represented, the
3 receiver kept all the parties including Stream apprised of --
4 there was a budget that was put together in connection with
5 management of SeeCubic B.V. The receiver did this with
6 SeeCubic B.V. It has nothing to do with SeeCubic, Inc. or Mr.
7 Stastney or anything like that. Everyone had that budget, and
8 the receiver kept everybody updated. So Stream for many months
9 prior to the bankruptcy was well aware of the burn rate at the
10 B.V. level.

11 And you know, I can understand wanting to have more
12 information to know what your obligations are going to be going
13 forward. But when you take ownership of something like they
14 have by filing this bankruptcy, you have an obligation to come
15 up with the funding. Stream has \$3,000, allegedly in the bank
16 account. And the cash burn rate at SeeCubic B.V. is -- was
17 750,000 pounds, a little over a million dollars a month.

18 MR. ALEXANDER: Your Honor, Vincent Alexander on
19 behalf of the Debtor. But that's the whole point is we should
20 have control of it as the Debtors. We should have access to
21 all of that information as the Debtors of the control. And
22 once we get that, we can determine what funding is appropriate
23 and what needs are there. So that's exactly what --

24 THE COURT: But counsel --

25 MR. ALEXANDER: -- the Debtor is trying to do. We're

1 trying to get --

2 THE COURT: But in the meantime -- counsel, in the
3 meantime, who's funding this? You keep saying we need to get
4 information. We need to do this. You have an idea of how much
5 is this costing. You think it's going to be less than a
6 million dollars a month?

7 MR. ALEXANDER: Yes, Your Honor, we do.

8 THE COURT: What was it before?

9 MR. ALEXANDER: It needs to be litigated.

10 THE COURT: Well, how much do you think it was?

11 MR. ALEXANDER: Well, I can tell you --

12 THE COURT: Or how much do you think it's going to
13 be?

14 MR. ALEXANDER: I can tell you, Your Honor, before
15 the SeeCubic Inc. took over, once they took over, the cost
16 tripled.

17 THE COURT: Okay.

18 MR. ALEXANDER: So when the Debtors were running it,
19 the costs were significantly less in terms of operating --

20 THE COURT: What's significant -- what is
21 significantly less?

22 MR. ALEXANDER: I believe from a payroll and taxes
23 standpoint, it was 150,000 to \$200,000 a month.

24 THE COURT: And does the Debtor have that?

25 MR. ALEXANDER: The --

1 THE COURT: I mean, even assuming --

2 MR. ALEXANDER: Yes. The Debtor has the money to
3 fund that.

4 THE COURT: Okay. So --

5 MR. MAZZA: So with all due respect, Your Honor --

6 THE COURT: Counsel. Counsel, you don't
7 get -- didn't I say don't interrupt. You get to ask the
8 question, but not now.

9 MR. MAZZA: Yes, sir. Yes, ma'am.

10 THE COURT: That's not --

11 MR. MAZZA: I agree. Sorry.

12 THE COURT: All right. Okay. So the Debtor believes
13 that the Debtor can fund 150 and 250 a month. Okay.

14 MR. ALEXANDER: At least that, Your Honor. That's
15 what they were funding before. But if they go in there and
16 look, and it's the actual costs are higher, then we'll actually
17 do that. But they need to know what cost --

18 THE COURT: They need to know -- well, that's all
19 fine and well. But what happens if this play does get -- I
20 mean, we're all -- you guys are all fighting in here. What
21 happens if payroll is not met? And when is payroll going to be
22 due?

23 MR. ALEXANDER: I believe payroll is due the end of
24 this month, and it's already covered some of this month.

25 THE COURT: And after that?

1 MR. ALEXANDER: A payment needs to be made. And if a
2 payment is not made, then presumably some employees will not
3 come to work.

4 THE COURT: So? Do you expect they're going to work
5 for free? How many --

6 MR. ALEXANDER: Well, I mean, if they have an
7 understanding --

8 THE COURT: -- or how often --

9 MR. ALEXANDER: If they understanding of how they're
10 going to get paid, I believe --

11 THE COURT: Yes. But they don't know -- you just
12 said you don't know who you want to keep. You believe some
13 people are unnecessary. How do they know about -- why is my
14 understanding I'm going to get paid if I might be the one of
15 the ones you decide you don't need. So I don't know how that's
16 going to work. But how often --

17 MR. ALEXANDER: Well, they'll still get paid. I
18 mean, I believe that they will still need to get paid pursuant
19 to the requirements of paying employees.

20 THE COURT: Well, where is Stream getting the money?
21 You don't have any cash, and you don't -- and you're not
22 selling. Where's the cash coming from?

23 MR. ALEXANDER: The cash will come from VSI. And
24 we'll have a -- we should have a --

25 THE COURT: Who?

1 MR. ALEXANDER: The entity called VSI.

2 THE COURT: B? V or B?

3 MR. ALEXANDER: V as in Victor.

4 THE COURT: Um-hum.

5 MR. ALEXANDER: S as in Stream and I as in Igloo.

6 THE COURT: And is that the company that's owned by
7 Mr. Rajan?

8 MR. ALEXANDER: That is a company that is
9 predominantly owned -- that Mr. Rajan has an investment in as
10 well. But there are other owners of the entity.

11 THE COURT: And is this the same entity that has
12 these contract with the Debtor and whoever else?

13 MR. ALEXANDER: It's a distributor. It has a
14 distributor agreement with end users. So they are an
15 intermediary between the Debtor and end users of the product.

16 THE COURT: So they have a distribution agreement
17 with the end users or with the Debtor?

18 MR. ALEXANDER: With the Debtor.

19 THE COURT: And when was that entered into? Hello?

20 MR. ALEXANDER: I don't -- hello. I don't know
21 the -- I'd have to check the date of that, Your Honor.

22 THE COURT: And why does the Debtor need
23 distributors? Why can't the Debtor just sell the --

24 MR. ALEXANDER: Well, the Debtor needs -- I believe
25 the understanding of the relationship is that VSI provides

1 additional resources that the Debtor doesn't have in order
2 to --

3 THE COURT: What additional resources?

4 MR. ALEXANDER: To facilitate with the end user.

5 THE COURT: And what are those?

6 MR. ALEXANDER: I believe some of it has to do with
7 electronic capabilities in terms of what's needed. The chips
8 that go into the products, they're semiconductor related issue
9 as well. And also VSI has relationships with certain customers
10 that Stream did not have relationships with and then there's
11 also relating to some expertise with lens films. There's
12 hologram technology that VSI has as well. And so all of that
13 is used in connection with the process.

14 THE COURT: How does that make them a distributor as
15 opposed to just a simple supplier? All right.

16 MR. ALEXANDER: You asked me --

17 THE COURT: And so -- um-hum.

18 MR. ALEXANDER: No, and you asked where the money
19 would come from. And that's where the money has come from.
20 And it's available and we'll have the appropriate documentation
21 on file when we know how much money we actually need to do it.
22 But it looks like we might just have to put a dollar amount on
23 in terms of what may be needed right now, as opposed to the
24 full amount in terms to address the issues.

25 THE COURT: And so who's running SeeCubic B.V. right

1 now?

2 MR. ALEXANDER: When you say running, Your Honor, do
3 you mean like on those grounds, like --

4 THE COURT: I mean, who's in charge of the day-to-day
5 operations?

6 MR. ALEXANDER: Well, Mr. Rajan pursuant to the
7 corporate records filed there, is the CEO. There is an
8 individual and he's listed as the CEO in the corporate
9 documents filed with the government. In terms of on the
10 ground, like actually, in the office there, I believe an
11 individual Patrick Thune, who we brought up earlier, has been
12 instructing some employees. But he has not been listening to
13 Mr. Rajan, who is the CEO.

14 THE COURT: Okay. Well, who was running this before
15 bankruptcy?

16 MR. ALEXANDER: The receiver was giving the
17 instructions.

18 THE COURT: To who? I'm sure he wasn't down there
19 doing it himself.

20 MR. ALEXANDER: No. He was -- I believe he was
21 coordinating with Mr. Thune.

22 THE COURT: With Mr. who?

23 MR. ALEXANDER: Mr. Thune. Patrick Thune.

24 THE COURT: Okay. So --

25 MR. ALEXANDER: And so our view is once the receiver

1 was displaced by the bankruptcy filing, aside from the fact
2 that the Debtors didn't step back in and Mr. Rajan was the CEO
3 of --

4 THE COURT: And who -- well, who was the CEO before
5 the receiver was appointed?

6 MR. ALEXANDER: Mr. Rajan.

7 MR. MAZZA: Your Honor, we disagree with that.
8 That's part of the dispute that we talked at length about
9 earlier.

10 UNIDENTIFIED SPEAKER: Mister -- I won't interrupt,
11 Your Honor. I'll wait.

12 MR. ALEXANDER: So Mr. Rajan was the CEO prior to the
13 receivership being appointed -- I'm sorry, the receiver being
14 appointed, not the receivership. The receiver being appointed.
15 And so we attempted to then discuss and work on operating in
16 the Netherlands, and that's when we were hit with the
17 resistance in terms of Mr. Thune indicating that he was taking
18 direction from Mr. Stastney, but the receiver --

19 THE CLERK: The Judge got cut off. Sorry.

20 MR. ALEXANDER: Okay. Yeah. No problem. Thank you
21 for letting me know.

22 THE CLERK: So that was the last thing we heard, if
23 you want to backtrack --

24 UNIDENTIFIED SPEAKER: Your bankruptcy for now. But
25 Matthew filed it when the receiver --

1 THE CLERK: Someone is speaking with --

2 THE COURT: Counsel, I'm back. I guess I went for a
3 record of three today.

4 MR. ALEXANDER: I --

5 THE COURT: And now, when I came back it said I had
6 originally 35 participants, now I'm down to four.

7 MR. ALEXANDER: The lucky four. On a Friday
8 afternoon.

9 MR. CAPONI: It's a Friday afternoon.

10 MR. ALEXANDER: Yep, there you go.

11 THE COURT: All right. So let's try to get -- so my
12 question to Mr. Alexander was, who was the CEO before the
13 receiver was appointed?

14 MR. ALEXANDER: It's the Debtor's position based on
15 corporate resolutions that Mr. Rajan --

16 THE COURT: Counsel. Counsel. I did not ask you
17 what the Debtor -- at the time the receiver was appointed who
18 was the CEO?

19 MR. ALEXANDER: Mathu Rajan.

20 THE COURT: -- at the time the -- Mr. Rajan --

21 MR. ALEXANDER: Mathu Rajan.

22 THE COURT: -- was the CEO?

23 MR. ALEXANDER: Mathu Rajan.

24 THE COURT: So that's a different -- is that somebody
25 different than --

1 MR. ALEXANDER: No. Mr. -- I called him Mr. Rajan
2 before, but his name is Mathu Rajan.

3 THE COURT: So at the time the receiver was
4 appointed, Mr. Mathu Rajan was the CEO?

5 MR. ALEXANDER: That is correct.

6 THE COURT: Okay. And he continued to be the CEO
7 after the receiver was appointed?

8 MR. ALEXANDER: Well, no --

9 THE COURT: He was dismissed?

10 MR. ALEXANDER: Yes. He continued to be because it
11 was a status quo. So the answer's yes.

12 THE COURT: Okay.

13 MR. MAZZA: Sorry to interrupt, Your Honor. Mr.
14 Mazza again. That's part of the dispute in the Netherlands.

15 THE COURT: Okay.

16 MR. ALEXANDER: But as the upstream equity holder,
17 Technovative gets to appoint all the downstream officers,
18 directors. So that's how it works when they get to appoint the
19 downstream ones.

20 MR. MAZZA: Right, but you have to comply with such
21 law in order to put people downstream --

22 MR. ALEXANDER: Understood.

23 THE COURT: Well, I don't -- listen. I don't know
24 what you have to do, because that may override anything. I
25 don't know. I don't know what the point -- because when you

1 sign an agreement that says we can do all of this, that may
2 override anything else you do. I don't know. No clue.

3 MR. CAPONI: Your Honor.

4 THE COURT: Yes?

5 MR. CAPONI: Steve Caponi. And I think, you know,
6 given the hour and the day of the week to try to bring some
7 closure. I think what I heard debtors counsel agree that on
8 the ultra vires filing issue, that's something Your Honor can
9 address on the papers maybe with the parties filing some
10 supplemental briefing on that. And I think that is a clear
11 path with a rare instance of agreement.

12 On the balance of the motion and whether we have an
13 evidentiary hearing or not, I think -- Your Honor, I think
14 there's also agreement that there is tremendous uncertainty
15 around whether there's going to be a funding of payroll, who
16 would do it, and how they would do it. And even if debtor's
17 counsel is correct, that, you know, the Debtor can get the
18 money from VSI, you still then have a related party transaction
19 within it -- with an insider with an entity controlled by Mr.
20 Rajan. That needs to get vetted and why --

21 THE COURT: Well --

22 MR. CAPONI: That hasn't been filed with the Court by
23 now so the parties can kick the tires on it. I don't -- that's
24 not -- my point, Your Honor, is that's not something you file
25 the day before payroll's due. Why is Mr. Rajan running

1 around --

2 THE COURT: Well, counsel --

3 MR. CAPONI: -- and not dealing with those important
4 issues? That needs to get addressed.

5 THE COURT: Well, it doesn't matter whether it's
6 inside or outside or whoever, you can't get funding without
7 filing an appropriate motion on the 354(b). I don't care who
8 they're funding with. And that's why I'm here. So I don't
9 know how they plan on doing that. And the funding is till the
10 end of the month, so somebody needs to do something.

11 I mean, at the end of the day, you know,
12 360 -- 1112(b)(3) says I shall commence the hearing not later
13 than 30 days after filing of the motion. I don't know this
14 considered commencing the hearing and not later than 15 days
15 after commencement of such hearing.

16 I mean, I don't know how that's going to work,
17 because you could have a hearing that started today, and it
18 takes me three -- a month to finish the trial. So I don't
19 know. If the parties express any consent to the continuous for
20 a specific period of time, or compelling circumstances prevent
21 the Court from meeting the guidelines established via the
22 paragraph. I'm sure there are cases that state what compelling
23 circumstances are.

24 So the best I could do is say if everybody consents
25 that we have a continued hearing to a specific time, that's

1 really going to tie my hands because I don't necessarily --
2 that now means I have to put this issue of dismissal to the
3 front of other things I'm working on to meet -- unless we do a
4 specific date by which we would have a trial, and then that
5 would give me X amount of time to rule on the legal issues.
6 And if I -- yes?

7 MR. CALLAHAN: Your Honor, this is Kevin Callahan on
8 behalf of the United States Trustee. I appreciate the time you
9 offer for us today. And I appreciate counsel presenting their
10 respective positions. The United States Trustee does not take
11 a position at this time. However, I'm a little familiar with
12 the Court's procedures with respect to evidentiary hearings. I
13 appreciate counsel's requests that this be heard promptly. And
14 of course, I'm aware of the Court's busy calendar.

15 Nevertheless, I don't think counsel may be aware of
16 the Court's procedure on handling evidentiary hearings. And
17 simply as a suggestion or an observation, it may be a good idea
18 if the Court were to let parties aware of the evidentiary
19 hearing protocol that the Court has instituted, if the hearing
20 is going to be on Zoom. That would allow --

21 THE COURT: Well, they put -- well, this one -- well,
22 Mr. Callahan, this one will likely not be. This is one that I
23 likely would come into the court for.

24 MR. CALLAHAN: Oh, that's fine.

25 THE COURT: This is too complicated to try to do this

1 over Zoom.

2 MR. CALLAHAN: Well, saying that, Your Honor, I
3 really appreciate that. And I think that might be the
4 preference for most attorneys, probably most of the attorneys
5 here. But certainly the Court's website offers suggestions on
6 how to present a briefing schedule. And also a scheduling
7 order, which may give the parties here the opportunity to fully
8 vet their positions.

9 I noticed that there are many declarations and
10 documents attached to the pleadings. As of right this moment,
11 they're not in evidence. And of course, if they were to
12 be -- if counsel for both sides, were able to agree on perhaps
13 the list of the exhibits that could be admitted without
14 opposition, that would be a start. And of course, those
15 exhibits and testimony or other evidence that would be
16 contested, at least to let all parties know what's going to be
17 argued. I also agree, Your Honor, that what -- I'm sorry, I'd
18 also add that next week is another hearing on a motion for
19 relief. Possibly the Court might entertain --

20 THE COURT: Is --

21 MR. CALLAHAN: Possibly the Court may entertain
22 consolidating the three issues that are before the Court
23 presently into one consolidated hearing. I think that might be
24 helpful not only to the Court, but to the parties to fully
25 resolve these issues.

1 THE COURT: Counsel, I have not even looked at my
2 schedule for next week, because my courtroom deputy is on
3 vacation. She usually sends it to me on Friday. And maybe she
4 did, and I just haven't seen it because it's Friday, and I
5 haven't had a chance to look at my mail. And so let's see.
6 Okay. I don't see any -- nope. I don't see anything yet.

7 So thank you, Mr. Callahan, for pointing out that
8 there's another hearing in this matter next week. But what I
9 would like to do is, if we could pick -- everybody consents to
10 a trial date, or the parties confer. And I don't mean in
11 August, because that is not happening. I'm talking May
12 sometime. Because I don't want this case dragging out if it's
13 something that is not properly before me. And so that needs to
14 be done on an -- agree on an expedited basis.

15 Because if this motion had been filed, it was filed
16 last week, we would have had our first hearing sometime in
17 maybe the end of the month, beginning of May, would have
18 scheduled a hearing sometime in June. We a little bit above
19 that. So I want to try to get this done sometime in May. That
20 will give me an opportunity to have the parties submit briefs.
21 An opportunity for us to go over the legal issues.

22 Because I don't think there's a dispute that they're
23 basing -- they meaning the parties -- the moving parties in the
24 motion to dismiss, are relying on the judge or the judge's
25 decision in the chancery court, or a judge's order rather

1 appointing the receiver and what that means on the Delaware law
2 -- staying that order no matter what it said is improper
3 because it strips the Debtors of their authority to file
4 bankruptcy.

5 I've looked at the issue briefly, know what the cases
6 say. But I don't know, the -- I mean, I know what, you know,
7 what does that explicitly do? You have to explicitly say you
8 have the sole authority to file. Nobody else can file. I
9 don't know, you know, for cases that I have had some exclusive
10 language. I don't know. I don't know what that means. So and
11 I don't think there's any dispute that this -- that the issue
12 of the authority is relying on that order and the appointment
13 of the receiver unless somebody is telling me different.

14 So I don't think that anybody would argue that this
15 is what I need to look at in deciding whether it was authorized
16 or not. And that whether the receiver has a way -- I don't
17 know. And whether or whether that order in of itself
18 was -- I'm going to use the word void, because it didn't -- you
19 couldn't take away the Debtor's rights to file. I don't know.
20 No clue.

21 And so I would need a time frame to get the briefs
22 and then schedule a trial, sometime thereafter -- two weeks
23 thereafter gives me an opportunity to read the briefs and do
24 some reading, do my own research, look at your cases, and
25 hopefully be able to render a decision and say trial will

1 proceed or trial is canceled. I don't know.

2 So do the parties want to confer and try to set some
3 deadline or that they would -- that would work for them? Or
4 they want me to set some. I think it would make sense for the
5 parties to try to look at their schedules and come up with some
6 dates. And if you can't, I most certainly will. Which one do
7 you want to do?

8 MR. CAPONI: Your Honor, this is Steve Caponi again,
9 for Hawk. I think the -- so I appreciate the guidance you just
10 gave. And I'm confident the parties can work out a schedule,
11 if we know what the end date is. So if there was -- if there
12 would be a way for Your Honor just to say, here's the date in
13 May that we're going to have a hearing, I know I'm confident we
14 can work backwards and get everything to you within two weeks
15 prior to that.

16 THE COURT: Well, counsel, I don't -- my courtroom
17 deputy is not in today. And she is the keeper of the calendar.
18 And I --

19 MR. CAPONI: Can you reach out on Monday?

20 THE COURT: Yes, reach out Monday to Ms. Godfrey and
21 pull -- let me just look initially at my calendar, because as I
22 said, I would prefer to have this in person. This is too
23 complicated to do over Zoom. Not complicated, but I think it's
24 too many moving parts. May. That's Memorial Day. We'd like
25 to have it before Memorial Day. Up to you guys.

1 MR. CAPONI: Yes, Your Honor.

2 THE COURT: Not the Friday before Memorial Day.

3 What's the Monday? The Monday is the 22nd. I just have to
4 figure out -- counsel, just give me a minute. I have a
5 standing appointment -- doctor's appointment every other Monday
6 for medication. And I just have to figure out where I am in
7 that schedule.

8 Let's see. I went on Monday. So I think the next
9 one's the 24th. Why doesn't it say 24th on here? Wait a
10 minute. Did I go on Monday? No, because it's on Wednesday.
11 Went on the 12th. The next one should be the 26th. Yes.
12 Okay, hold on. Let me calculate from there. The 24th. Okay,
13 I'm good if we can do the 22nd of May, because that will give
14 everybody enough time. Or the next one would be the 20 -- no,
15 that's Memorial Day. It would have to be --

16 MR. CAPONI: How does the 22nd work, Your Honor?

17 THE COURT: Let me see the 22nd, if that's a -- I
18 just my calculations. The 22nd is fine. That should work,
19 because I think I'm --

20 MR. CAPONI: Is this for the -- this would be the
21 final trial date, Your Honor. Is that what you --

22 THE COURT: That would be the final trial date
23 on -- the problem as I see it is that we will be doing a
24 consolidated trial evidentiary record on the motion for -- and
25 that may take longer than a day. Their motion for violation of

1 the stay, the motion to dismiss. And I've heard Mr. Callahan
2 say there's a motion for relief. But that might be pushing it.
3 You may just have to wait on that one. And because I may just
4 have to wait on that. I don't know whose motion it is. I
5 think we may have to wait on that. So maybe we reserve the
6 22nd the whole day. What's on the 23rd? And maybe the half of
7 the 23rd? Hello? Counsel?

8 MR. CAPONI: Yes, Your Honor. That works for Hawk,
9 Your Honor.

10 MR. ALEXANDER: I'm checking with my -- this is
11 Vincent Alexander for the Debtors. I'm checking with my side
12 regarding -- what was that date?

13 MR. MAZZA: It works for SeeCubic, Your Honor. Jim
14 Mazza here.

15 THE COURT: Okay. So that would be all day on the
16 22nd. And on the 23rd a half a day. I guess maybe we -- you
17 think we should reserve 24th a half a day? Let's see what we
18 got on the calendar. Okay. It's a pretrial conference. All
19 right.

20 (Court and Deputy confer)

21 THE COURT: So we start at 12:30 on the 23rd and
22 12:30 on the 24th, to the extent we need it. So that means
23 that I would have to have briefs two weeks before the 22nd,
24 which would mean briefs would be due on the 8th.

25 UNIDENTIFIED SPEAKER: Okay.

1 THE COURT: 5 p.m. on the 8th, briefs. Well, we
2 cutting it close for me trying to get a response. that doesn't
3 give me much time to try to get an answer in -- a decision, but
4 I'm sure I'll start looking at it before that. Okay. Now, so
5 with respect to the motion for the stay, I want everything to
6 just wait.

7 I want the matters in the Netherlands, which is
8 scheduled for next week to just hold on a minute, because I'm
9 concerned that this is going to have some impact on what I'm
10 doing. It's going to have some impact on whether the Debtor
11 believes to have their rights here in this Court, and it
12 belongs to them here. And I need to protect those rights with
13 respect to their ability to control these things.

14 I will be honest. I ultimately will not decide that.
15 I ultimately -- if that is an issue, I'm going to send you guys
16 to the Netherlands to have them because they understand --
17 unless I look at the original agreement and find that the
18 original agreements with the parties where they say they have a
19 underlying agreement where they can appoint it. And that that
20 supersedes anything. I could make that finding. I don't know
21 yet. I don't know, because you're argument was it doesn't
22 matter what they agree, they have to abide by the statute, the
23 state or the country they're in. I don't know whether I'll
24 find that.

25 I could say well, that's superseded in this

1 agreement, gave them the authority notwithstanding anything. I
2 don't know. Because I don't know what it said. So I don't
3 want -- I want everything to just stay until we can get some
4 feel for where we are on this thing. Mr. -- nobody's turning
5 over anything. Because I'm not quite sure how, with respect
6 to -- I'm only hearing the parties saying that they can work
7 this out with respect to turning over the bonding equipment
8 that -- you know, you got to have insurance. And I mean,
9 that's a requirement.

10 And so I don't know, you know, if I can facilitate
11 some sort of settlement and discussion on that, purely, or if
12 you want me to refer you to one of my colleagues to try to come
13 up with a settlement with respect to that bonding equipment.
14 That's fine. Because I think one of the big issues I can see
15 in this is in the Netherlands, was that there was some concern
16 that Mr. Rajan was having the company turn over this bonding
17 equipment, and he believed he was taking away their assets.

18 Well, I'm going to decide that. So I don't know what
19 to tell them, except they need to hold on. Mr. Rajan, I don't
20 want you doing anything. Nobody's to do anything, except
21 somebody's got to figure out how to pay these people or you're
22 not going to -- you're going to be fighting over nothing.
23 Nobody is to transfer assets, nobody's to take technology.
24 Nobody could take trade. Nothing. Everything stands still.

25 And if somebody believes that somebody is moving

1 something, file something. Because no. You can't come to
2 bankruptcy and say I'm going to -- anybody. Even the people
3 in -- you know, I don't know. I don't know if I have
4 jurisdiction over people over whatever assets are over there.
5 That asset we're talking about right now is in China. So I'm
6 not uncomfortable, I don't feel -- I'm comfortable saying just
7 everybody stop. Don't do anything until we can get at least to
8 find out, one, is this a legitimate filing. Legitimate meaning
9 authorized. I don't mean -- and also, who has what. What
10 assets that -- you know, if the Debtor believes that they have
11 the exclusive right to appoint somebody, and that's the asset
12 that belongs to the estate, I don't want anybody saying
13 anything about it. I get to say something first. So
14 everything is stayed. Nobody is to touch anything. And you
15 guys try to work on the issue with respect to the bonding
16 equipment.

17 UNIDENTIFIED SPEAKER: Understood, Your Honor.

18 THE COURT: Okay.

19 MR. ALEXANDER: Your Honor, understood. Your Honor,
20 one question.

21 THE COURT: Wait a minute. Somebody has a question.
22 Hold on.

23 MR. ALEXANDER: To the extent -- this is Vincent
24 Alexander, Your Honor. To the extent the parties can't come to
25 an agreement on the bonding equipment, which I'm hopeful we

1 can, did you say that one of -- either you or you can refer
2 that quickly to one of your colleagues to help facilitate that?

3 THE COURT: I'm volunteering them.

4 MR. ALEXANDER: Well, I hope we can come to a
5 resolution quickly on that issue.

6 THE COURT: Right. I would encourage you to do so
7 because I think that's the gist of all of the big problems in
8 the Netherlands and problems here. You know, maybe you guys
9 agree that, you know, that it gets put somewhere and everybody
10 gets to use it. I don't know. I don't know what to tell you.
11 But I get the issue. Okay.

12 MR. DEMARCO: If I may, this is Andrew DeMarco with
13 Rembrandt.

14 THE COURT: Yes. I'm sorry. You didn't get to say
15 anything. I'm sorry. Go ahead.

16 MR. DEMARCO: I appreciate that, Your Honor. Well, I
17 won't keep everyone here much longer. We've covered a great
18 deal of ground. But there were two things I simply wanted to
19 address. In the upcoming hearing regarding the motion to
20 dismiss, I just wanted to request that Rembrandt may have some
21 time to present, you know, its arguments against that issue.
22 And I just want to raise that.

23 I also just wanted to note to Your Honor's question
24 you've been asked earlier about who owns the intellectual
25 property, and I just wanted to raise for the Court and make

1 sure it was on the record. That's actually a matter of dispute
2 there is an ongoing lawsuit in the district of Delaware on that
3 matter.

4 It is Rembrandt's contention that Rembrandt owns the
5 intellectual property that is at issue in the suit. So
6 particularly the trade secrets, that are at issue in that case.
7 So I just want to make sure that Your Honor was aware of that.
8 In fact --

9 THE COURT: The --

10 MR. DEMARCO: I apologize, Your Honor. You had a
11 question?

12 THE COURT: Who -- you said there was ongoing
13 litigation. Between who and who?

14 MR. DEMARCO: Yes, Your Honor. That would be a
15 Stream and Hawk. Stream, Hawk, and Technovative. However,
16 with the automatic stay, that has been the stay.

17 THE COURT: Okay. So Stream, Technovative, and Hawk
18 are the plaintiffs, defendants? What are they?

19 MR. DEMARCO: They are the defendants. Rembrandt is
20 the plaintiff.

21 THE COURT: Okay. So Rembrandt is suing these
22 parties saying that it owns the intellectual property and is
23 suing Stream. I'm not sure how Hawk fits in there, but
24 technically, which is the Debtors, right? The two debtors.

25 MR. DEMARCO: Sure. We can get into the full details

1 probably during that motion to dismiss, but it is in our -- in
2 the objection documents that we provided. So we can provide
3 the further detail there. But the short version, Your Honor,
4 is Rembrandt provided a license to Stream for the underlying
5 technology. And now, it is our understanding based on public
6 statements that have been put forth by Stream and by Hawk, that
7 they are seeking to take some of that technology claiming
8 ownership of that technology that is rightfully Rembrandt.
9 So --

10 THE COURT: Okay. So --

11 MR. DEMARCO: -- to Stream.

12 MR. ZAHRALDDIN: Your Honor, Raphael's arguing from
13 the Debtor, excuse me for one second. Let me just give some
14 clarity. I believe that when Technovative was sued by
15 Rembrandt, the receiver was in charge of that. There is no and
16 there never has been any indication that we are not going to
17 follow through on our license or our license, or respect our
18 license with Philips. So I just want to make sure that Your
19 Honor understands that issue. And we haven't been able to
20 discuss because that action has been stayed with the
21 bankruptcy. We haven't been able to discuss anything with
22 Rembrandt as to what's happening after the bankruptcy because
23 we've been preoccupied with these matters. So I just wanted to
24 put that

25 THE COURT: Okay. Well -- okay. Well, right. It's

1 property of the estate and who owns it. I get that. Mister --
2 I'm sorry, counsel. I didn't write your name. You started and
3 I started writing it down and I didn't later. What's your name
4 again?

5 MR. DEMARCO: No worries, Your Honor. My name is
6 Andrew DeMarco. It's D-E-M-A-R-C-O.

7 THE COURT: Okay. So Mr. DeMarco, are you in favor
8 of dismissal or against dismissal?

9 MR. DEMARCO: We are against dismissal here, Your
10 Honor.

11 THE COURT: All right. So then you need to
12 file -- you can file something too if you want. You don't have
13 to. If you want to say you're in favor and you believe it's
14 valid, you're free to file and present your arguments in
15 support. You don't have to, but if you do, it's due by May 8th
16 at 5 p.m., and if we have a trial you are definitely -- because
17 you have filed something in opposition, you definitely can
18 present whatever evidence. You can question. You can argue
19 whatever you want, to the extent we have a hearing because I
20 don't know yet, on the 22nd, 23rd, and 24th. Okay?

21 MR. DEMARCO: Yes, Your Honor. I appreciate that
22 greatly.

23 (Proceedings adjourned)
24
25

C E R T I F I C A T E

I hereby certify that the foregoing is a true and correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

/s/
John Buckley, CET-623
Digital Court Proofreader